Under Communications, a letter from the Southwestern Oregon Dental Society, stipulating their refusal to allow cleaning of teeth under C.B.H.A. coverage was read.

• • • • • •

7939 Under Old Business, the manager briefly reported his findings or a proposed new fee schedule. He reported briefly how the present C.B.H.A. fee schedule could be increased by 75% as compared to a 10% decrease on the published fee schedule of the O.P.S. Dr. Kennedy made a motion, seconded by Dr. Sorum that the C.B.H.A. adopt the O.P.S. fee schedule discounted by 10% as of June 1, 1947. The motion was unanimously carried.

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Under New Business, Dr. McKeown gave a complete report of his attendance at a meeting of the Oregon State Medical Society and the future intentions of the O.P.S.

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Discussion of payments for Penicillin by the C.B.H.A. for both in and out of the hospital cases was brought up. It was suggested that the doctors could obtain penicillin and sell it directly to patients in need of same, but the general opinion of the Board members present did not favor this suggestion. Dr. McKeown made a motion, seconded by Dr. Sorum that the C.B.H.A. pay for Penicillin only when the patient is hospitalized. The motion was unanimously carried.

7940 The manager gave a brief report regarding the Weyerhaeuser Co., as to their intention for a medical coverage plan for their employees when their contemplated large operations start in this area. The manager also submitted the request of Mr. R. Conklin, present executive of the Weyerhaeuser operations in this area, that the local doctors accept the National Hospital Association tickets of Weyerhaeuser employees, and bill the Weyerhaeuser Co. direct for the doctors' professional services rendered. It was generally felt that the doctors should continue not to recognize National Hospital Association tickets and continue to bill any patient carrying a National or Industrial ticket privately. It was suggested that Dr. Barkwill contact Mr. Conklin for further discussion.

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Plaintiff's Exhibit 1598

7941 MEETING—BOARD OF DIRECTORS
COOS BAY HOSPITAL ASSOCIATION
MONDAY AUGUST 26, 1946.
COOS BAY, OREGON

The meeting was called to order by the President, Doctor D. M. Long. Board members present were: Doctors H. E. Stark, L. B. Gould, and John Keizer. Absence of Doctor E. F. Lucas was noted.

The minutes of the previous meeting were accepted as read.

The financial reports for the months of June and July were accepted as read.

Under office and manager's reports, the Manager outlined briefly the gross income of the Association as compared to the previous year. He announced the increase of 25% of the rates of the on-the-job coverage contract with the Irwin and Lyons account.

The manager explained the procedure of eliminating medical aid agreements for occupational coverage with those accounts carrying Northern Life and not writing or renewing future on-the-job coverage agreements.

Dr. Stark brought up for discussion why a $3.00 subscriber fee was not instigated and he was informed that at the special meeting of the stock holders held in May there were not enough in attendance to have a quorum, so no action was taken. The manager explained the $2.50 and $2.75 rates, and how they were being instigated.

The manager asked for further cooperation of the doctors in curbing unnecessary costs. The net income of the Association, as was brought out, is controlled by the Doctors, and their income could be greater if they themselves would be more observant of treating pre-existing conditions and performing surgery for conditions that the contract specifically rules out. Those conditions and cases, as was pointed out, increased hospital and medical costs, reducing the fees payable to the doctors.

Under communications, the manager read a letter from Bernard Barkwill, M. D. pertaining to a Miss Alice Hennessey, whom he felt was abusing the privileges of the contract, being a Hypochondriac or a hysteriac, and submitted the letter with the intent of warning the doctors of continued examinations.

A letter notifying the Association of a raise of $5.00 per month for office space was read.

A letter from the O.P.S. pertaining to classifications of cooperating doctors was read.

A letter from Doctor Robt. Dixon pertaining to a $12.50 adjustment in regard to one of his cases was read. The case having been previously referred to Doctor Long before payment was made, was further explained and the doctor members present were in agreement that the amounts paid were justified.

7942 A letter from a subscriber employee of the West Coast Telephone Company, pertaining to a $50.00 dental fee was read. It was agreed to allow $25.00, the prevailing fee for this case.

Under unpaid bills, a hospital statement in the amount of $28.00 for a Mrs. Elwin A. Kasperson was O.K.'d on a motion by Dr. John Keizer, seconded by Dr. Stark and unanimously carried.

It was unanimously agreed that the fee for an E.K.G. myocardial report would remain at the published fee of $3.50.

Hospital rates for the Stark Hospital was brought up for discussion. Dr. Stark stated that his rates were $6.50 per day for four bed ward, $7.00 per day for 2 bed ward, and $8.00 per day for private room. A heated discussion was carried on by all doctors present with the unanimous opinion that the doctors present were not in a position to allow these rates, and they would have to be approved by all the stockholders. Doctor Stark's Hospital will be paid at the prevailing rates of $4.50 for ward and $5.50 for private room. Doctor Stark agreed to compile his cost of operations and submit these figures for the directors observation.

In that the hour was late, the meeting adjourned at 11 P. M.

Signed L. B. Gould
Secretary-Treasurer.

Attest: .....
President.

Plaintiff's Exhibit 1600

7943 REEDSPORT DISTRICT DOUGLAS COUNTY
Small Claims Court
FRED M. WRIGHT
Justice of the Peace
Reedsport, Oregon

2-7-'47

Mr. Dale Lillebo, Manager
Coos Bay Hospital Association
Coos Bay, Oregon

(Personal)

Friend Dale:

Was indeed pleased to receive your answer to my communication relative to the Reedsport situation. I personally understand your position and sympathise with you, yours is a job just like mine and I can read between the lines and candidaly cannot believe that you dictated the communication received by me from or under your signature i believe you far to clever to make the slip that appeared in the first sentence of the second paragraph because the word personally is appro but I am a little in doubt of the word professionally.

Another one is relative to the words "license medical doctor" he, amick passed the same medical test or examination that your so-called medicos did and I am sure that some of the medicos now practicing have failed that one in this state and there are a lot now practicing that are members of your organization that if they were forces to tackle it now would fail miserably, this is just between us and we both know its so. If your organization and some others in the state or going to continue along their closed shop line there are going to be some failures and a lot of new and more liberal organizations come into existence and competition. When over drop in and see me Dale you are always welcome.

Most sincerly

(Signed) FRED
Fred M. Wright

7944 REEDSPORT DISTRICT DOUGLAS COUNTY
Small Claims Court

FRED M. WRIGHT
Justice of the Peace
Reedsport, Oregon

January 31, 1947.

Coos Bay Hospital
Association,
Coos Bay, Oregon

Gentlemen:

My wife, who is a member of the Retail Clarks Local #1188 and who through that organization subscribes to your association and who has been receiving treatment from Dr. Amick, of Reedsport was informed by him today that hereafter your organization would not recognize him in the handleing of your physicians or hospital slips.

This makes the situation here very bad, we have had Dr. Amick as our family physician and he has given excelent service and we like his treatments and have confidence in his work. My wife is paying you for this service and why cannot she continue with the doctor that pleases her, in any event she is paying you and you must pay someone for her treatment and why not Amick? Further from your standpoint what is the matter with Dr. Amick, what is your reason when we pay you that you refuse to let us have the doctor we wish when you have already been allowing this service there must be some reason for this change of heart and we are entitled to know why you disapprove Dr Amick.

Very truly

(Signed) FRED M. WRIGHT
Fred M. Wright

Mr. Fred M. Wright,
Justice of the Peace,
Reedsport, Oregon

Dear Mr. Wright:

The writer regrets the delay in answering your letter of January 31; but same would have been done sooner had not the writer intended to be in your city before this time.

It is difficult to make certain elements in the Reedsport area realize that the Coos Bay Hospital Association does not disapprove of Dr. Amick personally or professionally. The Coos Bay Hospital Association has in no way a feeling of dislike towards Dr. Amick and the concensus of opinion of the Doctor members of this Association is a sincere appreciativeness of his services to the people of your community. Even with the attitude above shown the Coos Bay Hospital Association, being comprised of licensed Doctors of Medicine of the State of Oregon and members of the Oregon State Medical Society of which Dr. Amick is not, are pledged to recognize and cooperate with only those doctors who are then licensed Doctors of Medicine in the State of Oregon recognized as members of the Oregon State Medical Society. This reason alone suffices the action of the Coos Bay Hospital Association in discontinuing its recognition of Dr. Amick. We would also like to point out that many, if not all, recognized licensed Doctors of Medicine locally, as well as state-wide, would definitely refuse to cooperate, recognize, or work with a Doctor Owned Association, such as the Coos Bay Hospital Association, if said Association included in its agreement payment for services rendered by professional men other than Licensed Doctors of Medicine. This situation not only prevails locally, but to the best information available, predominates the State over.

It is true that this Association did allow the services of Dr. Amick, and the reason for same was due to the absolute shortage of Licensed Doctors of Medicine in the Reedsport area. This arrangement was to remain only until such time as another licensed medical doctor located in that immediate area. This in itself was a privilege extended that no other recognized bureau would extend and I assure you that for this action this Association has been severely criticized locally, from your own immediate community, and by outside sources. Nevertheless we appreciated the situation

as it stood, and continued with the arrangement until now. You no doubt will ask why we did not terminate our relationship with Dr. Amick at the time Dr. Meyers located in Reedsport, and our answer is that we wanted to be definitely sure that Dr. Meyers would remain permanently before the action recently taken was to be instigated.

7946 Again let me say that your letter is deeply appreciated and the questions asked justified. It is hoped that this response clarifies the action taken in regards to Dr. Amick, and gives you an understandable view as to why such action was necessary. It will be the writer's pleasure to call on you in person on his next trip to Reedsport, and if permitted will answer any further questions you may have.

Very truly yours,
COOS BAY HOSPITAL ASSOCIATION
DALE LILLEBO, Manager

DL:gm

(COPY)

Plaintiff's Exhibit 1601

7947 COOS BAY HOSPITAL ASSOCIATION
BOARD OF DIRECTORS MEETING
THURSDAY MAY 27, 1848

••••••••

The meeting was called to order by Dr. Bernard Barkwill, President. Board members present were Doctors R. M. McKeown, H. H. Parsons, Marshall Kennedy and Melvin Johnson.

• • • • • • •

The contracts with The Culinary Alliance and the Retail Clerks Union were discussed in detail. The practice of the unions in allowing some of their members to subscribe to C.B.H.A. even though they were not employed was considered a bad feature. It was brought out that no other group enjoyed this privilege and this practice should be stopped at once. A motion was made that no person shall be covered by C. B. H. A. unless gainfully employed except as provided herein.

1. Leave of absence from work—authorized by employer
2. " " " " " —due to industrial accidents

3. Three months extended coverage upon termination of employment with present employer.

The motion was seconded and unanimously carried.

7948 Because costs are exceeding revenue and it is becoming more and more evident that the present rate of $3.00 per month per subscriber is not sufficient to pay expenses, a vote was taken of the directors as to the advisability of raising the dues from $3.00 to $3.50 per month. It was the contention of the Board that it would be advisable to raise all contracts including Coos Bay Lumber Company at the same time. Notice was sent to all firms forty-five (45) days in advance of August 1, 1948 of the raise in dues. It was felt that this would eliminate the present discord and would make all contracts uniform.

• • • • •

A letter from O.P.S. regarding their recent cut in fees was read. It was suggested that outside associations, such as C. B. H. A., pay the O.P.S. fee less 20%. This fee would be somewhat in line with current O.P.S. payments to their member physicians.

A letter from O.P.S. requesting that they be allowed to contact the employes of the Oregon Liquor Control Commission with regard to hospital coverage was read. It was explained that this policy was already in effect with respect to various operations throughout the state. Some firms which have branch offices prefer to have all of their employes covered by the same hospital association.

• • • • •

Plaintiff's Exhibit 1603

7949 April 30, 1947.

Nasburg Insurance Co.,
Coos Bay,
Oregon.

Gentlemen:

As per your request we submit herewith a list of the Doctor Members of the Coos Bay Hospital as of May 1, 1947:

H. C. Eastland, M.D. ..... Reedsport
Ennis Keizer, M.D. ..... North Bend

John P. Keizer, M.D.	North Bend
Melvin E. Johnson, M.D.	North Bend
George E. Dix, M.D.	Coos Bay
Robert J. Dixon, M.D.	Coos Bay
Bernard Barkwill, M.D.	Coos Bay
H. H. Parsons, M.D.	Coos Bay
Raymond M. McKeown, M.D.	Coos Bay
Wm. Horsfall, M.D.	Coos Bay
Donald M. Long, M.D.	Coos Bay
Eugene B. Sorum, M.D.	Coos Bay
J. D. Rankin, M.D.	Coquille
L. B. Gould, M.D.	Coquille
Marshall Kennedy, M.D.	Coquille
Gerald E. Stark, M.D.	Coquille
James Richmond, M.D.	Coquille
E. F. Lucas, M.D.	Bandon
W. A. Cartwright, M.D.	Gold Beach

Very truly yours,

COOS BAY HOSPITAL ASSOCIATION

DALE LILLEBO, Manager

DL:gm

(COPY)

Plaintiff's Exhibit 1604

7950 July 3, 1947.

Oregon Physicians' Service,
471 Pittock Block,
Portland 5, Oregon.

Attention: Mr. Willard Martin

Dear Willard:

In response to yours of July 2nd I personally feel that a meeting should be called of all managers of the affiliated bureaus to discuss the new O. P. S. coverage extension program in order to be familiar with its workings and to be able to carry on discussions with the doctors in our various territories as to the intent of the above-mentioned program.

As to the time and place of the meeting, it is my opinion that you and the O. P. S. officers should be the sole judges, and you can rest assured that if and when such a meeting

does take place it will be my pleasure to attend that meeting.

With kindest personal regards,

Very truly yours,

Coos Bay Hospital Association

DL:gm

7951

SPONSORED BY THE OREGON STATE MEDICAL SOCIETY

OREGON'S APPROVED MEDICAL SERVICE PLAN

OREGON (Emblem) PHYSICIANS' *SERVICE*

471 PITTOCK BLOCK
PORTLAND 5, OREGON

July 2, 1947

Mr. Dale Lillebo, Manager
Coos Bay Hospital Association
Hall Building
Coos Bay, Oregon

Dear Dale:

The O. P. S. Coverage extension program, involving coverages for certain classes of individuals, families, rural groups, etc., is expected to become effective in the fairly near future. The promotion of this program probably will involve advertising, news stories and possibly radio time.

Although O. P. S. naturally will not carry on any campaign within your county, nevertheless, the advertising media to be used do not recognize any county line. For example, any advertisement published in the Oregonian would appear in that edition of the paper distributed throughout the entire state, even though such advertisement might be keyed to apply to only certain sections of the state. The same is true of radio to quite a degree.

It seems to me that we probably should get together at a meeting sometime in the near future so that the managers of all Oregon bureaus could discuss the new O. P. S. coverage extension program and become fully acquainted with its ramifications. This would help in avoiding possible future misinformation or misunderstandings. Also, it may be that one or more of the county bureaus will wish to take advantage of the forthcoming O. P. S. advertising

and publicity by tying in with the program at least to some degree.

7952 If you think it would be a good idea for us to get together on this subject, we shall be pleased to attend a meeting to be called at most any time and any place.

Kind personal regards.

Sincerely yours,

OREGON PHYSICIANS' SERVICE

(Signed) WILLARD
General Manager

WCM:LR

Plaintiff's Exhibit 1605

7953 February 12, 1947.

Mr. Clyde C. Foley, Secretary,
Oregon State Medical Society,
Medical Dental Building,
Portland, Oregon.

Dear Mr. Foley:

I am writing to you for information as well as suggestions, as to how to intelligently reason with laboring groups in regard to not recognizing Osteopaths by an Association such as this, which is comprised of Medical Doctors only, and recognized on a co-operative basis by outside Medical Doctors.

The above in itself merits reason enough, supposedly, why this Association does not include Osteopaths, but aside from this, it seems that the Osteopaths practicing in this state are required to pass the same examination as that required of Doctors of Medicine. At least the Osteopath who is practicing in Reedsport, which is part of the area covered by this Association, has led the people of Reedsport to believe, and they for the same reason argue that his services rendered should be recognized and paid for accordingly.

This situation seemingly enough appears very simple to combat, but peculiar enough to say the least, is complicated and accordingly embarrassing. I can't, as you well know, tell these groups that have been under our coverage for so many years, to cancel the dam contract if they don't like the methods of the Association, and also tell Amick,

the Osteopath to get his degree as a Medical Doctor and then the Association will be ever so glad to consider him as a recognized member.

I have made my stand as manager of the C. B. H. A., to recognize only licensed Doctors of Medicine and do not intend to change come hell or high water, but would appreciate, if available, additional information from you regarding Osteopaths, their limitations as to how far their particular profession carries, whether or not they are allowed the privilege to practice medicine, what surgery they are qualified to perform, the extent of their examinations, and everything regarding them, so I can if necessary even talk intelligently with the Osteopath himself.

Thanks, Clyde, and your immediate response will be deeply appreciated.

Kindest personal regards,

Very truly yours,

(COPY)

(This exhibit came from the files of the Coos Bay Hospital Association.)

Plaintiff's Exhibit 1609

7954 October 11, 1948

Dr. Carol Meyers
Reedsport,
Oregon

Dear Dr. Meyers:

This is in reply to your letter in connection with our underwriting of certain individuals and accounts in the Reedsport area.

As you possibly know, O. P. S. is a doctor-owned association operating on a statewide basis. The county of Coos as well as three or four other counties in the state have established doctor-owned hospital associations to operate within the county only. O. P. S. operates directly in all other counties in the state with the understanding that there will not be any direct competition with the county plans but, instead, will endeavor to furnish a more satisfactory service when and if subscribers need medical and hospital services on a reciprocal basis. We realize that

Reedsport is in Douglas County although the Coos Bay Association has customarily covered that area because of the affiliation of the doctors in Reedsport with the Coos Bay district medical society.

We have therefore felt that because of our attempt to better the service facilities among the doctor-owned associations of the state we should not competitively solicit business in that area. We have, on occasions, contracted to cover branch offices or plants of firms in areas
7955 such as Coos Bay but have not contracted directly in that area with a firm. We could only suggest to the school system at Reedsport that they investigate the coverage of the Coos Bay Hospital Association.

It is entirely possible that we could write coverage for employed individuals where the group could not constitute eligibility to the Coos Bay Hospital Association. If you have any such individuals in mind you might suggest that they write us for information in this connection. Your continued cooperation will be anticipated and appreciated.

Very truly yours,

OREGON PHYSICIANS' SERVICE

(Signed) K. G. MANNING
Promotion Manager

KGM:bb
cc—Mr. Tom Kingsley, Manager, Coos Bay Hospital Association

(COPY)

Plaintiff's Exhibit 1610

7956 June 21, 1946

Oregon Physician's Service
471 Pittock Block
Portland 5, Oregon

Dear Willard:

In response to yours of June 17 regarding O. P. S. coverage for some accounts in Coos County which carry Northern life, the Board of Directors of this Association are not favorable to any Industrial Medical Aid contracts especially those involving the Northern Life. It is my suggestion that if you feel that O. P. S. can satisfactorily cover such accounts as above mentioned to not hesitate. It is my pleasure to

state that some of the doctors have acknowledged the fact that they would prefer O. P. S. to cover those accounts requesting both on and off the job coverage that C. B. H. A. rejects, and I feel that their attitude shown leaves you in a position to accept contracts of the nature we are speaking about without question.

• • • • •

Very truly yours,

Coos Bay Hospital Association

Dale Lillebo
Manager

(COPY)

7957

SPONSORED BY THE OREGON STATE MEDICAL SOCIETY

OREGON'S APPROVED MEDICAL SERVICE PLAN

OREGON (Emblem) PHYSICIANS' *SERVICE*

471 PITTOCK BLOCK
PORTLAND 5, OREGON

June 17, 1946

Mr. Dale Lillebo, Manager
Coos Bay Hospital Association
Hall Building
Coos Bay, Oregon

Dear Dale:

The enclosed copy of a letter just received from Jim Connors should be self-explanatory. Apparently we will have rooms reserved for us at the Davenport Hotel when we arrive in Spokane on August 17. We shall try to make plane reservations for the whole gang on August 17, other than Joe and Mrs. Hicks who will fly their own plane. As soon as these details are worked out definitely, I shall advise you further.

We have been approached again regarding O. P. S. coverage for some accounts in Coos County which carry Northern Life. If you should have any additional thoughts on this subject, please let me know. I feel that a satisfactory deal probably could be worked out such that State Indus-

trial Accident Commission rates would be paid to the physicians but, on the other hand, we certainly do not wish to invade your territory unless we can do you and the Coos County doctors some good in some ways. I think that you understand our position very thoroughly. Also, we have a standard policy that no industrial medical aid coverage is written without the concurrent writing of off-the-job coverage.

I am sorry that you missed the meeting in Portland last Monday when Messrs. Ketchum and McDavitt from the A. M. A. were here. It was an interesting meeting and I believe that quite a bit of good was done in an informal sort of way.

Best personal regards.

Sincerely yours,

OREGON PHYSICIANS' SERVICE

(Signed) WILLARD
General Manager

WCM:LR
Enclosure

Plaintiff's Exhibit 1611

7959 Dr. Dix,

I have been advised by Dr. Lambert of Eugene to be operated on for hemoroids, have my tonsils removed & a brace put in my utris. I work at E. K. Woods Mill, but would like to have the work done by Dr. Lambert as I've gone to him for quite some time, but he won't do anything without an O. K. from the Coos Bay Association.

Dr. Eastland suggested that I write to you. Will
7960 you let me know what to do as soon as possible so I can make definite arrangements with my Dr.

Sincerely

(Signed) FRANCES DODGE
Box 147
Reedsport, Ore.

7961 See any North Bend or Marshfield doctors 1st regarding your trouble. If consultation or outside Drs. needed--then Assoc will authorize same.

(Signed) DL

7962 Dear Sirs:

I'd like to go to Eugene to see Dr. Lambert, but he won't take a Hospital ticket without a letter from you stating that its alright. If its alright with you will you send me a letter to that affect, as I'll have to see a Dr. soon I work for E. K. Woods.

(Signed) FRANCES M. DODGE
Reedsport,
Ore.
Box 147

7963 September 6, 1944

Frances M. Dodge
Box 147
Reedsport, Oregon

Dear Madam:

We regret this delay in response to your two letters, but the writer has not been in the office since the later part of August and this date just received same.

Your reason for wanting to go to Doctor Lambert is readily appreciated by this person, but in that this office cannot grant you authorization for Doctor Lambert's services without the approval of a Doctor member of this Association it is suggested that you see any north Bend or Marshfield Doctor regarding your trouble, and if it is found that an outside Doctors services are necessary then this office will be in a position to authorize you to go to same.

Thanking you kindly for your letters and that the above meets with your approval.

Very truly yours,

COOS BAY HOSPITAL ASSOCIATION

Manager

Plaintiff's Exhibit 1613

7964 PACIFIC HOSPITAL ASSOCIATION

TELEPHONE 69

415 MINER BUILDING
EUGENE, OREGON
October 27, 1943.

Mr. Dale Lillebo
Coos Bay Hospital Association
Marshfield, Oregon

Dear Dale:

I suppose you received a letter from either Willard Marshall or Kenneth Manning regarding the proposed meeting with the State Industrial Accident Commission at 2:00 P. M., November 10, 1943. Since I started this request for an audience with the Commission, I would like to follow up Willard's suggestion in his letter that we do have a meeting either in his office in Salem or for lunch in Salem prior to the meeting at 2 o'clock, in order to more or less agree upon what requests should be made to the Commission. Willard has suggested that we prepare cost statistics in advance, but I suggest that we ask for a blanket uniform increase in all rates, in proportion to the increase in cost of providing this type of service during the last two years. I think that we may get farther with the Commission if we put it to them on that basis. Please let me know if I can help you at all in this matter.

I am enclosing a list, together with addresses, of all the members of our group for your use in sending out letters to them. I have not included Marvin Warlick in our list since January 1, 1943; otherwise, there have been no changes.

Best personal regards.

Very truly yours,

PACIFIC HOSPITAL ASSOCIATION

(Signed) CFW
C. F. Wright, Mgr.

CFW:GN
Enclosure

7965 Mrs. M. G. Olson—Physicians Ass'n of Clackamas County, Oregon City, Oregon

Justin B. Smith—Oregon Physicians' Service, Medford, Oregon

Dale Lillebo—Coos Bay Hospital Association, Marshfield, Oregon

Kenneth Manning—Oregon Physicians' Service, Salem, Oregon

Ralph Jackson—Oregon Physicians' Service, Pittock Block, Portland, Oregon

J. L. Hicks—Klamath Medical Service Bureau, Klamath Falls, Oregon

Dr. H. H. Thomas—Mass Hospital Association Myrtle Point, Oregon

Dr. G. E. Stark—Coquille Medical Service Bureau, Coquille, Oregon

Willard Marshall—Oregon Physicians' Service, Salem, Oregon

Lakeview Hospital, Inc.—Lakeview, Oregon

C.F. Wright — Pacific Hospital Ass'n, 415 Miner Bldg., Eugene, Ore.

Plaintiff's Exhibit 1616

7966 OREGON PHYSICIANS' *Service*

337 PITTOCK BLOCK
PORTLAND OREGON

October 14, 1943

Mr. Dale Lillebo
Coos Bay Hospital Association
Marshfield, Oregon

Dear Dale:

As requested, I am sending you a copy of the comparative statements of the National and Industrial Hospital Associations compiled from reports filed with the Insurance

Commissioner. Attached to these statements are comparisons of fee schedules of the National and Industrial and the O. P. S. Multnomah County schedules. This O. P. S. local schedule is, of course, a very high schedule, in fact, it calls for rates higher than those charged by physicians to their private patients.

Ralph Jackson has worked out some statistical conclusions on the fee schedules and the operating statements which may be of some interest to you. It should be remembered, of course, that the O. P. S. fee schedule, applicable to physicians outside of Multnomah County, is considerably lower and that our fee payments have been at full rates with the exception of two months on a couple of divisions.

If you have any question on these statements, I shall be be glad to try and answer them for you. I would also suggest that the physicians of your Association have only a cursory glance at this material. It has been our experience that they do not always grasp the significance of data of this sort and have sometimes advised our competition that they are doing a satisfactory job for the medical profession.

With best personal regards.

Sincerely yours,

(Signed) Ed Rubey

ER:ld
Enclosure

7967 FINANCIAL STATEMENTS—NATIONAL HOSPITAL ASSN.

	1940	1941	1942
Income:			
Gross Premiums	$533,263.34	$642,016.67	$708,456.47
Income from other sources	32,467.74	40,306.42	41,064.98
Interest and Dividends	2,169.74	2,457.19	3,960.76
	$567,900.82	$684,780.28	$753,482.21
Expenses:			
Physicians and Surgeons	236,429.52	270,117.22	272,036.33
Medicines and Supplies	63,219.09	43,930.97	41,959.07
Ambulance	1,346.16	1,725.86	2,224.15
Hospital	98,645.64	125,671.52	153,564.83
Physical Therapy	4,046.35	3,510.30	3,901.86
Orthopedic Appliances	445.96	538.74	780.14
First Aid service & transp. of patients	17,202.39	20,539.41	27,752.48
Laboratory Expense	1,906.25	2,339.78	2,983.25
Funerals	745.00	360.00	480.00
X-ray	3,798.36	4,132.62	5,063.16
Salaries and *other compensation*	70,230.91	86,657.93	102,355.30
Rent	7,148.53	6,680.81	7,269.45
Office Supplies and expense	12,977.57	15,202.87	18,440.32
Advertising	1,417.52	996.80	1,599.40
Freight & Express	824.87	945.85	911.31
Taxes	4,465.55	26,064.82	65,382.25
Ins. Dept. License	25.00	25.00	25.00
Postage	1,678.36	1,561.00	1,778.13
Telephone & Telegraph	3,137.73	3,531.43	4,107.80
Insurance	13,034.17	14,986.72	15,873.63
Dues and Subscriptions	1,366.91	1,355.41	1,561.53
Donations and Charities	529.50	1,210.80	962.70
Legal	3,409.25	1,908.55	1,665.78
Miscellaneous	590.44	965.66	1,968.17
Interest			74.67
	$548,621.03	$634,960.07	$734,720.68

	1940	1941	1942
Uncollectible accounts	4,194.78	14,472.34	2,380.98
Depreciation	4,000.00	4,003.55	5,379.03
Loss on Stocks sold	6,077.62	25,274.18	
Loss on Real Estate	100.00		
Federal and State Inc. Taxes	2,500.00		
Loss on Farm operation			4,820.02
Republic Steel		1,165.44	
	$565,493.54	$679,875.58	$747,300.71

7968 FINANCIAL STATEMENT—INDUSTRIAL HOSPITAL ASSN.

Income:

Hospital and medical dues	$400,906.80	453,603.63	546,649.90
Interest and Real Estate	372.50	524.76	611.42
Drug and Service Sales	6,690.81	11,189.08	20,276.73
	$407,970.11	$465,317.47	$567,551.11

Expenses:

Physicians and Surgeons	213,354.84	241,614.09	260,716.91
Hospital	65,001.03	87,434.32	105,502.53
Drugs and prescriptions	41,467.12	29,740.59	31,778.53
Salaries and other compensation	32,262.32	39,485.77	52,252.25
Home office travel	5,654.43	6,835.94	8,405.80
Nurse expense	16,782.26	20,267.17	33,337.42
Rent	5,310.33	5,573.30	7,194.00
General Office Expense	3,261.61	3,958.34	1,377.91
Taxes License and fees	4,360.14	6,015.69	29,557.74
Legal Expense	1,092.93	814.13	567.15
Advertising	102.20	432.89	473.23
Printing and Stationery	1,443.96	1,843.17	2,076.65
Telephone & Telegraph	2,711.85	2,942.04	3,434.84
Insurance	885.62	1,055.91	1,050.02
Depreciation on Bad Debts	5,305.52	6,015.29	7,054.18
Dues and Subscriptions	417.01	340.65	203.05
Transportation of Patients	4,759.91	2,334.48	2,662.17
	$549,956.08	$456,703.77	$401,861.03

7969 Comparison of *payments* made by O. P. S. as compared to 100% of National-Industrial Schedule on 15 miscellaneous flat fee procedures:

1. Average for four quarterly periods same as National Schedule.
2. Average for four quarterly periods 6.8% more than Industrial Schedule.

Comparison of *payments* made on ten eye procedures as compared to 100% National-Industrial Schedules:

1. Average for four quarterly periods 7.58% more than National Schedule.
2. Average for four quarterly periods 16.95% more than Industrial Schedule.

Payments made for *lowest* pay period by O. P. S. 64% June 30, 1943.

1. Miscellaneous visits:
   a. 10% under National *(Same if same flat weekly hospital visit allowance used.)
   b. 4.3% more than Industrial.
2. Flat fee procedures (15):
   a. 17% under National full schedule.
   b. 12½% under Industrial full schedule.
3. Eye-ear nose and throat (10 procedures)
   a. 13.56% under National full schedule.
   b. 6.02% under Industrial full schedule.

National schedule effective October, 1942—Industrial schedule effective April, 1943.

A comparison of the fee schedules of the National and Industrial Hospital Association with the *schedule* of O. P. S.

1. 100% of O. P. S. *schedule* is:

   On visits—26.7% above National Schedule
   35.5% above Industrial Schedule

2. Flat fees (15 procedures):

   19.7% above National Schedule
   24.4% above Industrial Schedule

3. Eye, Ear, Nose & Throat (10 procedures):
26% above National Schedule
32% above Industrial Schedule

A comparison of payments made by O. P. S. for one year as compared to 100% of the National-Industrial Schedules.

1. Average quarterly *payment* of O. P. S. for period of one year:

Visits 8% under National*
4.3% over Industrial

(* No flat weekly hospital visit allowance on National Schedule so fixed at $15.00. If this were reduced to $10.00 same as Industrial the O. P. S. payments for the year would have been 100% of National on miscellaneous visits which constitute approximately 40% of expenditures.)

Plaintiff's Exhibit 1624

7973 PACIFIC HOSPITAL ASSOCIATION
DOCTORS

Vern L. Adams
H. R. Allumbaugh
W. H. Chapman
R. P. Christenson
C. D. Donahue
L. A. Edblom
I. R. Fox
E. D. Furrer
E. L. Gardner
H. T. Gentle
P. R. Grorud
G. F. Guldager
O. R. Gullion
M. K. Hartzell
George Hemphill
L. M. Hilt
S. J. Hoffman
M. G. Howard
G. I. Hurley
M. S. Jones
D. B. Judd
L. S. Kent
R. C. Knott
H. E. Lamb
K. D. McMilan
Don Moore
G. S. Morgan
A. B. Peacock
C. B. Phetteplace
G. S. Porter
C. W. Robbins
R. C. Romig
A. F. Sether
W. B. Shepard
Don Slocum
D. C. Stanard
L. W. Stauffer
E. L. Sundquist
H. G. Talbot
J. E. Tysell
George Varney
M. V. Walker
A. O. Waller
L. A. White
M. T. Wood

(This is a list as of March 1, 1948.)

• • • • •

Plaintiff's Exhibit 1636

7975 March 10, 1948

Oregon Physicians' Service
455 Ferry Street
Salem, Oregon

Attention: K. G. Manning

Dear Ken:

In response to yours of the 5th regarding Cosmo Gilo, please be advised that as long as you have submitted him the contract, and if we can be assured that his operation is a short one in Eugene, we are perfectly willing to have you cover him.

You have been very prompt and cooperative in referring inquiries from firms in Lane County to us and we appreciate it. We know that your intentions are good and even though this type of contract causes some misunderstanding among the doctors, I will still cooperate with you and try to service the man for you in the best way possible.

I have already been contacted by some of the men under the West Coast Lumber Inspection Service and have informed them that your coverage is the type to obtain on a state wide basis and that we will cooperate in servicing them in Eugene. However, I think the biggest proportion of them in Lane County are already covered because we have given them permission to remit through the firm they inspect for. This plan has been very satisfactory because we insist that we receive a separate record of these men and that all collections be made be the firm where they are inspecting.

7976

We are beginning now to form our plan for family coverage which will probably go into effect July 1, 1948. In order to help me frame it, would you please send me a supply of your pamphlet outlining your "Surgical limited medical and hospital plan" for the families of group employee subscribers. I would also appreciate a copy of your supplemental contract issued for this type of coverage. We are going to try to install the same type of family coverage that you provide but we feel that our first step is to write just families of the group employee subscribers. Will you please let me know your reactions to this and also on the group employee subscribers plan, do you submit to the families more than one optional

type of coverage. If so, which one has been receiving the biggest response.

I will appreciate all this information and trust that it will not be too much trouble to forward it to me.

Best personal regards,

PACIFIC HOSPITAL ASSOCIATION

C. F. Wright, Mgr.

CFW:BT

Plaintiff's Exhibit 1637

7977 July 29, 1948

Mr. Joe Harvey
Oregon Physicians' Service
1214 S. W. Sixth Avenue
Portland 4, Oregon

Dear Joe:

Once again I have to intercede for one of our doctors who received quite a cut on his fees for services rendered in June. It is Dr. J. M. Boyer, who billed you for Mrs. L. M. Bartlett and Mr. E. J. Hardy. His bill for Mrs. Bartlett I think was originally $38.50 and was cut to $20.00 with no explanation as to reasons for the adjustment or discount. On Mr. Hardy, the original bill was I think, $35.00 and was cut to $27.00 with no explanation for either an adjustment in the fee or a discount. It is rather hard for me to explain to these doctors these large adjustments, particularly when you include no code number.

Will you please at least check this account for me and if an error has been made make your adjustment directly with Dr. Boyer.

By the way, there are a number of doctors who do not have your new blue fee schedule. Therefore, I would suggest that you forward about a dozen to my office and I will be glad to distribute them to those doctors who do not have one. I also try to straighten them out whenever they receive any unaccounted for adjustments or discounts.

Best personal regards,

PACIFIC HOSPITAL ASSOCIATION

C. F. Wright, Mgr.

CFW:BT

Plaintiff's Exhibit 1638

7978 February 16, 1949

Joe Harvey
Oregon Physicians' Service
1214 S. W. Sixth Avenue
Portland 4, Oregon

Dear Joe:

Once again I am being quizzed by a number of our doctors regarding your method of payment for services they have been rendering here in Lane County. One of the most acute cases right now is Dr. L. M. Hilt, Radiologist, who claims that he has not been paid for services rendered O. P. S. cases since as far back as November 1948. He says they always render their bills very promptly, sometimes the same day the services are rendered, and they have done a few G. I. studies and etc., that represent a considerable amount of money and he was inclined to become a little obnoxious and wanted to call somebody in your office regarding his account. I told him to hold off and give me a chance to write to you and see if we could find out what is wrong. Will you please check his account for the months of November and December mainly, and let me know if there are any unpaid bills and if so, why they have not been paid. If I then feel that he should get in touch with you direct, I shall so inform him.

I am still trying to keep these doctors of mine on an even keel when they receive your statements, but it doesn't seem to do much good when they see no improvement in the discounts you take on their bills. I try many times to explain why you have to take discounts, and will continue to do so; but, from time to time I may need your help in giving them some more satisfactory explanation.

I called you the other day but all of the brains were out of the office for some reason or other. I presume, next door trying to drown your sorrows in whatever is available over there. Sorry I missed you.

Best personal regards,

PACIFIC HOSPITAL ASSOCIATION

C. F. Wright, Mgr.

CFW:BB

Plaintiff's Exhibit 1640

7979 July 12, 1949

Willard Marshall
Oregon Physicians' Service
1214 S. W. Sixth
Portland 4, Oregon

Dear Willard:

Once again I feel compelled and also have been definitely requested by a number of our doctors, to inform you that they are becoming more dissatisfied and less cooperative all the time in the matter of percentage payments for services rendered.

I think you know that I personally have always tried in the past to uphold your administrative routine and decisions that tend to irritate these Lane County doctors. I have done this, because as I have told them, I have felt that these doctors should cooperate by going along with you in all phases of the operations of O. P. S. in order to solve this state wide problem and in order to compete. However, my abilities as a salesman in your behalf evidently have failed because since you made your decision to pay percentages according to the percentages paid in the district in which the patient is covered, these doctors have become more dissatisfied and more disgruntled all the time.

Recently, they have become acquainted with your individual type of coverage and I have explained to them that this is a fairly profitable type of coverage for O. P. S. in comparison with your experience with your group coverage in Multnomah County and other places that have not been profitable on a local basis. Then some of these doctors have taken care of these individual policy holders and after performing the services, received notice of discounts ranging from 0 to 65%. They, of course, can't understand why they should be subject to these discounts on business that presumably is profitable to O. P. S. There is also a feeling here in Eugene, that because we are independent of O. P. S. and because we are classified as "out state" rather than in Portland, that we are being discriminated against by O. P. S. when these discounts are taken. I have tried to explain the system of local pools that you have set up and why there has to be a state pool, but the doctors can't understand why subscribers holding

individual contracts, or as a matter of fact, why any services performed in Lane County should be subject to discount.

7980

This whole question was brought up as a matter for discussion at our annual meeting in June and after hearing the number of complaints and citing of individual cases by doctors who had performed services for O. P. S., I was at a loss to try to put up any defense in your behalf. A number of the doctors have gone so far as to inform the patient that they must look to them privately for the payment of their fee regardless of the action of O. P. S. and some doctors even refuse to accept an O. P. S. case when it comes in the office. One or two doctors have made a suggestion that I will pass on to you and I will recommend it as a means of solving this problem. Our fee schedule is not as high as yours but is adequate and is acceptable by all of our members. Why not permit our doctors to perform services in Lane County for O. P. S. cases and bill you at our fee schedule with the understanding that there will be no discounts. Or, just as another suggestion, and one which I have previously been opposed to, would you be interested in subcontracting all the business in Lane County to us under one main subcontract and let us administer the whole thing through my office. I don't like the idea but would probably be willing to do it in order to avoid these constant complaints and etc.

Please understand that this is in no way a personal criticism, but on the other hand, a statement of fact that is becoming more difficult for me to avoid and I will do all I can to solve it. Please let me hear from you when you have had time to digest this word.

Best personal regards,

PACIFIC HOSPITAL ASSOCIATION

C. F. Wright, Mgr.

CFW:BB

Plaintiff's Exhibit 1641

7982

PACIFIC HOSPITAL ASSOCIATION

343 EUGENE MEDICAL CENTER
TELEPHONE 69
EUGENE, OREGON

January 19, 1949

Dr. J. M. Boyles
Roseburg, Oregon

Dear Doctor:

Sometime ago we wrote all the doctors in Douglas County requesting that they honor our requisition tickets from Weyerhæuser Timber Company employees in your territory. Since that time, we have heard in a round about way that the doctors in Roseburg would rather not accept our tickets for these Weyerhæuser employees.

We are writing you again to explain our relationship with Oregon Physicians' Service, and why we again solicit your cooperation in servicing our cases. We are affiliated with O. P. S. on a cooperative basis in which we reciprocate by taking care of each others cases any place in Oregon and we have always agreed to pay fees according to the O. P. S. fee schedule. We have always been able to get along with the administrative personnel of O. P. S. and we would like to retain this relationship now that we have a contract covering the Weyerhæuser Timber Company employees in Sutherlin and Roseburg.

For your information, we offered to subcontract to O. P. S. the Weyerhæuser Timber Company employees in Sutherlin and Roseburg, but the Weyerhæuser Company informed us that they preferred to keep their employees all under one contract, so we are trying to satisfy them and the employee by giving them good medical care wherever they may be employed.

Our Association is owned by all of the privately practicing M. D.'s in Lane County. We are non-profit, ethical, and try to cooperate with the rest of the doctor owned plans in Oregon.

We sincerely solicit again your cooperation and ask that you accept our tickets whenever Weyerhæuser Timber Company employees present them to your office.

(Dr. Boyles replied they were and would continue to honor Weyerhæuser requisition tickets.)

Very truly yours,

PACIFIC HOSPITAL ASSOCIATION

(Signed) C. F. WRIGHT
C. F. Wright, Mgr.

CFW:BB

Plaintiff's Exhibit 1642

SPONSORED BY THE OREGON STATE MEDICAL SOCIETY

OREGON'S APPROVED MEDICAL SERVICE PLAN

7985 OREGON PHYSICIANS' SERVICE

471 Pittock Block
Portland 5, Oregon

February 11, 1946

Pacific Hospital Association
101 Miner Building
Eugene, Oregon
Attention: C. F. Wright, Manager

Dear Max,

Your letter of February 7, 1946 concerning a bill from Drs. Hendershott and Belknap, may well be considered a "$64 question". I'm not sure that we can be of much help to you as the procedures for which Drs. Hendershott and Belknap have billed are only occasionally encountered, and to the best of our knowledge, do not ordinarily appear on basic fee schedules. Frankly, we have had very little experience with this particular office because of its connection with the commercial hospital associations.

If O. P. S. had been called upon to pay this particular bill, the fees would probably have been set as follows:

Complete eye examination (including refraction)	$12.50
Injection	2.75
Visual fields; treatment and injection	5.00
Injection and treatment	2.25
Injection, treatment and tension	10.00
Injection, treatment and tension	5.00
Injection, treatment and tension	5.00
Trephine with iridectomy	150.00
Trephine with iridotomy	75.00
Cyclodialysis and iridectomy	75.00
Total	$342.00

This list of fees does not comply entirely with the State schedule.

• • • • •

(The doctor's bill was $412.75. Pacific Hospital Association paid them $300.)

Plaintiff's Exhibit 1643

7987

240 West First Street
Albany, Oregon

Pacific Hospital Association
Eugene, Oregon

Gentlemen:

I have recently received a few of your tickets, and would appreciate it if you will send me your fee schedule.

Very truly yours,

(Signed) J. F. Hosch
J. F. Hosch, M. D.

7988 October 8, 1947

Dr. J. F. Hosch
240 West First St.
Albany, Oregon

Dear Doctor:

Regarding your request for a copy of our Fee Schedule, please be advised that we honor the Oregon Physicians fee schedule for all of our cases outside of Lane County. This has been an accepted practice for all medically owned medical associations for a number of years.

Very truly yours,

PACIFIC HOSPITAL ASSOCIATION

C. F. Wright, Mgr.

CFW:BT

Plaintiff's Exhibit 1644

7989 June 15, 1948

Mrs. A. J. Hoselton
Route # 1, Box 996
Veneta, Oregon

Dear Madam:

Your letter to us regarding our hospital and medical coverage has been received and we wish to advise you that our type of service is offered only to groups of employees through a contract with their employer for the benefit of the employees and their families.

At the present time we have no individual plan but expect to offer some type of individual coverage in a year or two. We hope that you will get in touch with us then.

Very truly yours,

PACIFIC HOSPITAL ASSOCIATION

C. F. Wright, Mgr.

CFW:GN

5284

SPONSORED BY THE OREGON STATE MEDICAL SOCIETY

OREGON'S APPROVED MEDICAL SERVICE PLAN

7990 OREGON PHYSICIANS' SERVICE

455 Ferry Street
Salem, Oregon

June 3, 1948

Mrs. A. J. Hoselton
Route 1, Box 996
Veneta, Oregon

Dear Madam:

Oregon Physicians' Service does not offer direct coverage in Lane County (or). Accoringly we are unable to serve you directly in this regard.

It is suggested that you contact Pacific Hospital Association or your local County Medical Society for information concerning prepaid medical coverage.

Very truly yours,

OREGON PHYSICIANS' SERVICE

W. R. Mefford
Executive Assistant

By M. D. Lance

WRM:bb

Wrote the above regarding plan was referred to you.

Pacific Hospital Association
Miner Building
Eugene, Ore.

Dear Sirs:

Would you please send me full details regarding your hospital plan? I would like one where the patient could choose their own physician and also the hospital to which he wishes to go.

Yours very truly,

(Signed) MRS. A. J. HOSELTON

Plaintiff's Exhibit 1645

7993 February 20, 1946.

Dr. William Conklin
Stevens Building
Portland, Oregon

Dear Doctor:

The bearer, Mr. George West, is entitled to coverage under our Association and this is your authorization to proceed as per our Dr. M. V. Walker's letter to you.

We are enclosing one of our requisition tickets for your use in billing us and we ask that you use Oregon Physicians Service fees because we reciprocate with them in taking care of each others cases.

If hospitalization is necessary, will you please so inform the hospital.

Very truly yours,

PACIFIC HOSPITAL ASSOCIATION

C. F. Wright, Mgr.

CFW:GN

Plaintiff's Exhibit 1649

June 1, 1948

7994 The annual business meeting of the Pacific Hospital Association was held Tuesday, June 1st, 1948, 6:30 P. M. at the Eugene Hotel.

Those present included Drs. Adams, Allumbaugh, Boyer, Chapman, Christenson, Donahue, Edblom, Fox, Furrer, Gardner, Gentle, Grorud, Guldager, Gullion, Hemphill, Hilt, Hoffman, Howard, Hurley, Jones, Judd, Kent, Knott, Lamb, McMilan, Moore, Peacock, Phetteplace, Robbins, Romig, Shepard, Slocum, Stanard, Stauffer, Sundquist, Talbot, Tysell, Varney, Walker, Waller, White, Wood, and C. F. Wright.

Dr. M. S. Jones, president, presided. President opened the meeting by welcoming and introducing guests including Drs: Overstreet, Tingle, Weiseth, Fitch, Pollard, and Kirk.

• • • • •

The manager was then called upon to give his report of the past years business together with a detailed explana-

tion of the financial report. He also gave a report on his attendance at the two meetings of A. M. C. P. in St. Louis and Los Angeles; and a brief explanation of our cooperation and relations with Oregon Physicians' Service.

The manager was then asked to give a detailed explanation of the proposed plan for family coverage and pamphlets were distributed to each member, outlining the proposed benefits. The manager tried to explain the coverage in detail emphasizing the need particularly for cooperation on the part of all doctors in the area who will be seeing these family cases. Those doctors, particularly obstetricians and pediatricians who are not now members of the Association were advised of the plan whereby they will be given an invitation to join the Association in order to participate in servicing these family groups and their cooperation was solicited. After a lengthy discussion, Dr. Phetteplace moved, seconded by Dr. Romig that the Board of Directors by authorized to put the plan into effect as soon as possible.

Plaintiff's Exhibit 1650

7996 (The following were member doctors of Pacific Hospital Association on June 30, 1939:)

7997

H. R. Allumbaugh	Glenn S. Morgan
A. F. Barnett	H. M. Peery
Wm. H. Dale	Carl H. Phetteplace
Chas. D. Donahue	Carl W. Robbins
Gaven C. Dyott	R. C. Romig
L. A. Edblom	Gilson A. Ross
R. C. Faust	B. F. Scaiefe
Irvin R. Fox	A. F. Sether
Geo. F. Guldager	D. C. Stanard
O. R. Gullion	Harry G. Talbot
E. D. Furrer	Milton V. Walker
M. G. Howard	A. O. Waller
George I. Hurley	W. H. Chapman
Melville S. Jones	J. R. Wetherbee
Leslie S. Kent	E. L. Zimmerman (died)

Plaintiff's Exhibit 1651

7998 PACIFIC HOSPITAL ASSOCIATION

SUPPLEMENTAL GROUP FAMILY SURGICAL, LIMITED MEDICAL, OBSTETRICAL AND HOSPITAL SERVICE AGREEMENT

This supplemental agreement, made and entered into this.....day of....., 19....., by and between Pacific Hospital Association, hereinafter called the Association, and....., hereinafter called the employer, shall constitute a rider to the group employe medical and hospital service agreement dated....., 19..... and currently in effect, or hereafter to be in effect, between the Association and the employer.

WITNESSETH: That the Association for and in consideration of the sum or sums of money paid to it by the employer, within the time or times hereinafter mentioned, hereby agrees to make available to all family members (not otherwise subject to the Association coverage) of each employe, who is covered under the original group employe contract and who subscribes for coverage for his family members on the basis stipulated herein from time to time during the life of this supplemental agreement, as occasion demands, and/or bear the expense thereof to the extent hereinafter stipulated, surgical services, medical services for hospitalized cases, treatment of fractures and dislocations, obstetrical care, hospital services in ward rooms, meals and dietary services in hospitals, general nursing care in hospital cases, use of hospital operating rooms and other benefits as stated hereinafter.

I. *Surgical, limited medical and obstetrical care for family members shall include the following services:*

a. *Surgical service for major and minor operations* involving cutting or incision, performed in or out of a hospital, shall be provided for the treatment of coverable illness or injury.

b. *Medical service for cases requiring hospitalization* shall be provided for the treatment of coverable illness or injury during the period of coverable hospitalization.

c. *Treatment of fractures and dislocations,* including x-rays in suspected fracture and dislocation cases,

shall be furnished at a physician's office or at a hospital.

d. *The Association shall defray the cost of post-natal and obstetrical service* rendered by a cooperating staff physician up to a maximum of fifty dollars ($50.00) in any coverable case. Such payment is intended as an "allowance" in the event that the total cost of professional post-natal and obstetrical services should exceed the above stipulated amount in any such case.

H. *Hospital care for family members shall include the following services:*

a. Care in a room of three or more beds.

b. Meals and dietary services.

c. General nursing care.

d. Use of operating rooms.

e. Delivery room service in maternity cases.

f. Anesthesia.

g. Surgical and anesthetic supplies.

7999 h. Routine splints, casts and dressings.

i. Routine laboratory examinations in hospitalized cases up to but not in excess of ten dollars ($10.00) per hospital admission.

J. Diagnostic x-ray service for family members confined in hospitals.

k. Electrocardiograms and basal metabolism tests.

l. Drugs and medications in hospitalized cases up to but not in excess of ten dollars ($10.00) per hospital admission.

m. Maternity care up to sixty dollars ($60.00).

n. Hospital emergency room care for accidental injuries.

III. *Service prerequisites and limitations.*

a. In cases which require hospital care all stipulated services shall be furnished to a family member only when said member is a duly registered bed patient

in the Sacred Heart General Hospital, Eugene, Oregon, and is under the care of a listed Association physician or surgeon. In coverable cases which do not require hospital care all stipulated services shall be furnished to a family member only when said member is under care of an Association physician or surgeon.

b. In any case requiring hospitalization hereunder it shall be the duty of the family member to notify promptly the hospital and the attending Association physician that he is an Association family member, and failure to select an Association physician or to notify either the hospital or physician concerning membership in the Association shall be deemed conclusively to be a waiver of all benefits hereunder.

In any coverable case which does not require hospitalization it shall be the duty of the family member to notify promptly the attending Association physician that he is an Association family member and failure to select an Association physician or to notify the attending physician concerning membership in the Association shall be deemed conclusively to be a waiver of all benefits hereunder.

c. The obligation of the Association to provide any of the hereinabove listed services from physicians or surgeons for any coverable case of surgery, fracture or dislocation shall be limited to a period not to exceed six (6) months immediately following the date of original diagnosis of any such case, and this limitation shall apply to any one coverable condition arising from a separate and distinct cause and shall include any and all related complications of such condition. The rendering of medical services hereunder for any other type of coverable case shall be limited to coverable periods of hospitalization, excepting as otherwise provided herein for obstetrical care.

The obligation of the Association to provide hospital care, as defined hereinabove, is limited to a period not to exceed twenty-one (21) days for each particular physical disability arising from a separate and distinct cause. Hospital care will be provided only while a family member is necessarily confined to a

hospital as a registered bed patient for the treatment of a coverable condition under the care of an Association physician. Hospitalization shall not be furnished hereunder for a rest cure or for the purpose of diagnosis only.

8000 d. In conditions necessitating hospitalization beyond twenty-one (21) days, the Association will pay or reimburse the costs of hospital care as defined above in an amount not to exceed fifty (50) percent of such costs for a maximum period of not to exceed ninety (90) days immediately following said twenty-one (21) day period.

e. Family members traveling or temporarily outside of the State of Oregon are entitled to reimbursement for the expenses of coverable hospital care obtained outside of the State of Oregon up to a maximum of six dollars ($6.00) per day for a period not to exceed twenty-one (21) days in any coverable case. The Association liability for emergency professional services coverable hereunder and obtained outside of the State of Oregon (other than hospital services) shall not exceed fifty dollars ($50.00) for any coverable case. Services hereunder are limited to the continent of North America.

In the event that coverable services stipulated hereunder should be obtained by a family member from any Oregon hospital which may require payment therefor direct from the patient involved, then, and in that event, the Association shall be responsible for reimbursement for such service costs only up to a maximum of six dollars ($6.00) per day for a period not to exceed twenty-one (21) days for any coverable case.

f. In addition to services specifically provided elsewhere herein, for certain cases, the Association will defray the cost of hospital emergency room charges for the treatment of accidental injuries, provided the use of emergency room service occurs within twenty-four (24) hours following the time of accident.

g. The Association will defray the cost of post-natal and obstetrical professional service rendered by cooperating staff physicians, to the extent hereinabove specified in paragraph I (d), and will provide hos-

pital care for childbirth to the extent stipulated in paragraph II (m), under the following conditions:

(1) The member must be in a dues-paying two or more person family (including the employe group member) or must be an employe-member under the original employe agreement, and

(2) The maximum liability for professional service to be provided by the Association shall not exceed fifty dollars ($50.00) in cost in any twelve months' period, and

(3) The maximum hospital service to be provided by the Association shall not exceed sixty dollars ($60.00) in cost in any twelve months' period, and

(4) The member requiring such services must have been a member in good standing for at least ten (10) consecutive months immediately preceding her need for such professional and/or hospital care.

h. The Association shall not be responsible or liable to any member if hospitalization is unavailable as a result of epidemic, public disaster or other causes or conditions beyond its control.

l. The following services are expressly excluded and the Association shall bear no liability concerning such services:

8001 (1) Services for injuries or diseases for which the member is entitled to receive disability benefits or compensation or care or rights of action under any Workman's Compensation or Employers' Liability Law.

(2) Extraction of teeth or other services incident to the treatment of diseases and injuries or the jaw and its dependent tissues which customarily are performed by dentists.

(3) Services for preexisting conditions, conditions resulting from childbirth not coverable under this contract, quarantinable diseases, tuberculosis, insanity, acute or chronic alcoholism, use of drugs or narcotics, venereal diseases, deformities, congenital physical defects, attempts at suicide and conditions resulting from criminal acts.

j. The expressed written opinion of any Association cooperating physician attending any particular case shall be final with reference to the necessity for services stipulated hereunder for such case and also with reference to the status of such case regarding diagnosis, treatment or preexistence.

k. In the event that a family member should desire to utilize hospital room service of a higher cost classification than that provided hereinabove, the Association will bear the cost thereof up the service level provided hereinabove.

l. The benefits of this contract do not apply to any injury or illness of any family member caused by the negligence or wrongful act of any other person, except to the extent that if a family member entitled to the benefits of this contract shall be injured, or shall suffer illness, because of the wrongful act or negligence of any other person and thereafter shall make all reasonable efforts to recover from such other person and anyone responsible or answerable for such other person's negligence or wrongful act, the Association will procure for such family member the benefits of this contract which cannot be made available out of funds reasonably recoverable from, or through, such other person. Such funds shall be deemed not reasonably recoverable from, or through, such other person if it shall reasonably appear that should an action therefor be prosecuted, and judgment therefor be obtained, against such other person anyone responsible or answerable for such other person's negligence or wrongful act, execution on such judgment would be unavailing.

m. Professional services of cooperating physicians and surgeons will be furnished for the removal of tonsils and/or adenoids for any family member provided such member has been covered continuously hereunder for at least twelve (12) consecutive months immediately preceding the need for such service.

n. Chronic conditions: The Association will provide limited medical, surgical, and hospital care as stipulated herein, for cases of chronic disease of any family member when such disease takes on acute activity, provided such member has been covered continuously hereunder for at least six (6) consecutive months

immediately preceding the need for such service. This would apply to such illnesses as chronic appendicitis, chronic gall bladder disease, heart conditions, chronic diseases of the female organs, etc.

8002 IV. *Payroll deductions and payments for subscribing family members.*

In consideration of the agreements hereinabove set forth, to be kept and performed by the Association the employer agrees to arrange payroll deductions from the salaries of employe-group members who elect to have their families participate hereunder and to pay the Association for the coverage of such participating family members on or before the fifteenth day of each and every month hereafter during the time this supplemental agreement shall remain in effect, as follows:

a. Two dollars and twenty-five cents ($2.25) per calendar month for each participating spouse (not otherwise subject to the Association coverage) of an employe-group member.

b. One dollar and thirty-five cents ($1.35) per calendar month for the first participating child of an employe-group member.

c. Seventy-five cents ($.75) per calendar month for the second participating child of an employe-group member.

d. Fifty cents ($.50) per calendar month for the third participating child of an employe-group member.

e. No additional charge for additional children, if any, in excess of three.

f. Any spouse eligible for coverage hereunder may enroll up to the age of sixty-five (65) years.

g. Any unmarried child eligible for coverage hereunder may participate providing the age of such child is not less than thirty (30) days or more than eighteen (18) years. Upon reaching the age of nineteen (19) years, or upon becoming married at a younger age, any previously participating child may apply for continuance of coverage in accordance with the regulations established by the Association.

h. Coverage hereunder, and payments of premiums therefor, shall apply only to the immediate family

of the group-employe member who subscribes for this family service. Such immediate family shall include the spouse and unmarried children not less than thirty (30) days or more than eighteen (18) years of age. Only the entire immediate family as a unit, including all eligible members, shall be subject to coverage hereunder.

V. *Effective period and termination provisions.*

It is understood and agreed by and between the parties hereto that this supplemental agreement shall remain in full force and effect from the .... day of ....., 19...., to the thirty-first day of December 19...., or for such part of said period as the parties hereto shall perform the duties herein provided for, and that this agreement may be terminated or rescinded by either party by rendering thirty (30) days advance notice in writing to the opposite party that the supplemental agreement herein contained is being violated. In the event that payment shall not be received from the employer in accordance with Section IV hereof, the Association shall have the right to cancel this supplemental agreement at any time by rendering fifteen (15) days advance notice in writing of such cancellation.

It is further agreed that this supplemental agreement may be terminated in accordance with the provisions stipulated herein entirely independently from the original group-employe agreement and that the termination of this supplemental agreement shall not be construed as cancellation or termination of the original group-employe agreement. However, cancellation or termination of the original group-employe agreement in accordance with the terms thereof shall be construed expressly as concurrent cancellation or termination of this supplemental agreement.

8003 In the interests of making this contract service as satisfactory as possible for subscribing family members at all times and of insuring the continued stability of the coverage plan from the cost standpoint, it is further agreed that the Association shall have the right to change or amend any of the benefits and/or premium rates provided herein to be effective as of the first day of any month by rendering written notice to the employer concerning such revisions at least forty-five (45) days prior to the effective date of such revision. However, in such an event the employer shall have the privilege of

terminating this supplemental agreement effective on the first of the month date of proposed change by sending written notice of such termination to the Association at least fifteen (15) days prior to such date.

While by its terms this supplemental agreement expires on the thirty-first day of December 19....., it is agreed that unless one party to this supplemental agreement gives to the other, at least fifteen (15) days before the expiration of said period, written notice of its election that the supplemental agreement shall terminate at the said time, it will continue in full force and effect for the succeeding calendar year and thereafter will continue in full force and effect from year to year unless at least fifteen (15) days prior to the expiration of any calendar year one party shall give to the other written notice of its election so to terminate.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed, in duplicate, by their respective officers, pursuant to the authority heretofore granted, as of the date first hereinabove written.

_____ PACIFIC HOSPITAL ASSOCIATION

Employer

By _____ By _____

Title Manager

Plaintiff's Exhibit 1657

8004 MINUTES OF SPECIAL MEETING
OF STOCKHOLDERS
OF
INDUSTRIAL HOSPITAL ASSOCIATION

A special meeting of the stockholders of Industrial Hospital Association was held in the offices of the Association on the 7th day of November, 1936, at the hour of 11:00 o'clock A. M., pursuant to call of the President and notice to each and every of the stockholders.

There were present at the meeting the following, who are all of the stockholders of the incorporated Association and who own and hold all of the issued and outstanding capital stock thereof, to wit:

Dr. Chester C. Moore,
Dr. R. J. Pilkington,
Dr. Arthur Van Dusen,
Mr. Will T. Kirk.

President Dr. Chester C. Moore presided and the Secretary, Mr. Will T. Kirk, recorded the minutes of the proceedings.

The first subject of discussion involved the objection which has been made by the Multnomah Medical Society and by the American Medical Association with regard to hospital associations. In order to obviate the questions in controversy, namely, the ownership by laymen of any stock interest in such association and the paid employment of any persons to solicit medical and hospital contracts for such association, it was the concensus of opinion of all of the stockholders that the association take such steps as may be necessary to acquire the capital stock of the Association now owned by Mr. Will T. Kirk, being 25 shares. Dr. Moore stated that the attorneys for the Association had directed the officers' attention to the fact that no direct authority was conferred by the Articles of Incorporation which would enable it to acquire its own stock.

8005 Whereupon Dr. Pilkington offered the following resolution, which was duly seconded and unanimously adopted:

> "Be It Resolved, that the Association accept the offer of Mr. Kirk and that it purchase and acquire from him all of his capital stock in the Association, towit 25 shares, upon the terms of the offer mentioned, which said acceptance shall be binding and effective as soon as the necessary steps shall have been taken to file supplemental Articles of Incorporation authorizing the Association to acquire its own capital stock, and that the officers of the corporation be and they are hereby authorized and directed to enter into a contract of employment with Mr. Kirk, as general manager of the corporation, upon such terms and under such conditions as the officers may deem appropriate, reasonable and to the interests of the Association."

After due discussion a vote was taken, and the proposed resolution was unanimously adopted.

Whereupon the following resolution was offered, duly seconded and unanimously adopted:

> "Be It Resolved that the Association give full cooperation in its activities to the Rules and Standards established by the American Medical Association, Oregon State Medical Society, and the Portland City and County Medical Society with regard to contract medical service."

There being no further business to come before the meeting it adjourned.

(Signed) CHESTER C. MOORE
President.

(Signed) R. J. PILKINGTON

(Signed) A. VAN DUSEN

(Signed) WILL T. KIRK
Secretary.

Plaintiff's Exhibit 1658

8006 MINUTES OF SPECIAL MEETING
OF BOARD OF DIRECTORS
OF
INDUSTRIAL HOSPITAL ASSOCIATION

A special meeting of the Board of Directors of the Association was held pursuant to call of the President in the offices of the Corporation in the Medical Arts Building, Portland, Oregon, at 2:00 o'clock, P. M., December 23, 1936. The following, being all the directors, were present:

Dr. Chester C. Moore
Dr. R. J. Pilkington
Dr. Arthur Van Dusen
Mr. Will T. Kirk

The president, Dr. Moore, called the meeting to order and presided and the secretary, Mr. Will T. Kirk, recorded the minutes thereof.

The President stated that the first matter to come before the meeting was the matter of reconsidering the purchase by the Corporation of the stock of Mr. Will T. Kirk. Dr. Moore stated that notwithstanding the proposal of the Association to so arrange its affairs that all of its stock will be held by physician and surgeon stockholders, it became apparent that this action would not satisfy the demands of the City and County Medical Society and that it seemed apparent from the attitude of its officers and committees that the Society was hostile to all hospital associations. In view of this situation, Dr. Moore suggested that the meeting consider the advisability of rescinding the purchase of the stock of Mr. Will T. Kirk and restoring matters to status ante quo, particularly in view

of the fact that it had never been fully consummated. Mr. Kirk stated that he was willing to act in accordance with the wishes of the directors and stockholders of the Association and that if they desired he would be glad to rescind the transaction. Thereupon the matter was discussed at length and it was the sense of the meeting that the entire transaction should be rescinded and the status of the Association be restored to what it was on November 7, 1936. Mr. Kirk stated that it would be inconvenient for him at the present time to return all of the $5,000.00 which had been paid to him and called attention to the fact that the non-negotiable promissory note called for by the contract of November 7, 1936, had never been executed or delivered to him. Mr. Kirk, however, agreed to give his note to the Corporation in the sum of $5,000.00, bearing 6% interest and payable on or before six months from November 7, 1936.

Whereupon the following resolution was offered by Director Pilkington and seconded by Director Van Dusen and unanimously adopted:

8007 "Whereas the transaction between the Association and Will T. Kirk, whereby he agreed to sell his capital stock to the Corporation for the sum of $10,888.25, payable $5,000.00 in cash and $5,888.25 by a non-negotiable promissory note, and that the Association enter into a contract of employment with him for a period of thirteen years, has not been fully consummated and said note has never been executed and delivered and said contract of hiring has never been executed or entered into, and whereas it seems to be to the best interest of the Association that the entire transaction be rescinded and the parties be placed in status ante quo.

BE IT RESOLVED, the officers of the Corporation be and are hereby authorized to rescind said transaction in its entirety with the consent and acquiescence of Mr. Kirk and that they be authorized and directed to re-issue to Mr. Kirk his 25 shares of capital stock and to accept Mr. Kirk's promissory note in the amount of $5,000.00, due on or before six months from November 7, 1936, with interest at 6% per annum, as evidence of his indebtedness to the Corporation for the $5,000.00 heretofore advanced to him."

Mr. Kirk thereupon informed the Directors that he acquiesced in and accepted said rescission.

Whereupon the following resolution was offered by Dr. Pilkington and seconded by Dr. Van Dusen and unanimously adopted:

"Whereas there may be some legal question as to whether or not in the interim between November 7, 1936, and the date of the rescission of this contract Mr. Kirk was a director or officer of the Corporation, and to avoid any question with regard thereto, the Directors do hereby unanimously declare and elect Will T. Kirk a director of the Corporation and secretary of said Corporation from November 7, 1936, and do hereby ratify and confirm every act which he may have done or purported to have done as director or other officer of the Corporation during said period."

The President then stated that another purpose of this meeting was to declare a dividend, inasmuch as the business during the past year 1936 had produced a profit which it was advisable to distribute to its stockholders.

Whereupon the following resolution was duly made, seconded, and unanimously adopted, that a dividend of 100% of the capital stock of the Corporation be declared to be paid from its surplus in the manner following:

60% in cash and the balance by issuing the promissory notes of the Corporation to the respective stockholders, due and

(The minutes show this proposal was accepted.)

Plaintiff's Exhibit 1659

8008 MINUTES OF SPECIAL MEETING OF THE STOCKHOLDERS OF INDUSTRIAL HOSPITAL ASSOCIATION

A special meeting of the stockholders of the Industrial Hospital Association was held at the offices of the Association in the Medical Arts Building, Portland, on Monday, January 31, 1938, upon call of Dr. Chester C. Moore, president.

Stockholders present included Dr. Chester C. Moore, Dr. R. J. Pilkington, Dr. Arthur Van Dusen, and Will T. Kirk, representing all outstanding stock of said Association.

Dr. Moore presided and stated that the purpose of the

meeting was to consider a proposal received from Mr. Kirk and to take such other action as might come before the meeting. Dr. Moore read Mr. Kirk's proposal, as follows:

"Dr. C. C. Moore, President,
Industrial Hospital Association,
Portland, Oregon.

Dear Dr. Moore:

I have given a great deal of thought and consideration to the question of opposition from the medical societies to our Association and to what extent this opposition is prompted by the fact that I, as a layman, am a stockholder. This opposition, whether just or unjust, is apparently prompted by certain ethical viewpoints, and it is my desire in so far as may be reasonably possible to take such action as will relieve you and the other physician stockholders of any further professional embarrassment due to the fact that I am a stockholder in the Association.

To accomplish this will necessitate the disposal of my stock in a clearcut manner which will enable you to go before the medical societies with a frank statement of what has been done. I am willing to do this. I am willing to sell my one-fourth interest in the Association for one-fourth of the book value of stock as shown by the Association's books as of December 31, 1937, and to accept employment as general manager of the Association at such salary as the board of directors may decide to be fair and reasonable.

Very truly yours,

(Signed) Will T. Kirk"

Plaintiff's Exhibit 1662

Stockholders

8010 Special Meeting of ~~**Board of Directors**~~

stockholders

A special meeting of the ~~**board of directors**~~ of the Industrial Hospital Association was held at the offices of the Association in the Medical Arts Building, Portland, Oregon, at 4:00 o'clock P. M., January 31, 1938, with all members of the board present.

Dr. Chester C. Moore, presiding, stated that he had called the meeting to consider and take necessary action in regard to the trust agreement affecting the Association's stock. He said our attorney had advised, since Will T. Kirk was no longer a stockholder, that it would be necessary to cancel the outstanding stock, on which the name of Mr. Kirk appears as one of the trustees, and issue new stock to the three remaining stockholders as trustees.

Mr. Kirk thereupon tendered his resignation as trustee, and upon motion duly made, seconded and carried, his resignation was accepted.

Upon motion made by Dr. Van Dusen, seconded by Dr. Pilkington, and carried by unanimous vote, the secretary was instructed to cancel the outstanding certificates of stock and issue new certificates in the name of Dr. Chester C. Moore, Dr. R. J. Pilkington and Dr. A. Van Dusen, trustees.

No further business appearing the meeting adjourned.

(Signed) CHESTER C MOORE
President

(Signed) WILL T KIRK
Secretary

Plaintiff's Exhibit 1663

8011 SPECIAL MEETING

A special meeting of the board of directors of the Industrial Hospital Association was held at the Association's offices on Friday, January 6, 1939, with all members present, and Dr. Moore presiding.

The minutes of the annual meeting of the Board, held April 9th, 1938, and the minutes of the special meeting of the Board, held May 6, 1938, were read and approved.

While the annual financial statement will not be ready until in March, Mr. Kirk gave a preliminary financial report, pointing out that the Association had made a very good showing in face of the many adverse business conditions that had prevailed during the year. He also reported in detail on the situation in Jackson County where the medical society is attempting to invoke a boycott against outside hospital associations.

Various other matters affecting the business of the Association were discussed, but did not call for any official action.

Upon motion the meeting adjourned.

(Signed) CHESTER C MOORE
President

(Signed) WILL T KIRK
Secretary

Plaintiff's Exhibit 1664

8012 BOARD OF DIRECTORS MEETING.

A meeting of the Board of Directors of the Industrial Hospital Association was held at the Association's offices at 10:30 A M., January 15, 1940, with all members present, and Dr. Moore, president, presiding.

Mr. Kirk announced that the main purpose of the meeting was to discuss the question of whether the Association should engage in providing family and individual hospital and medical coverage contracts. After a lengthy discussion of this question Dr. Moore dictated the following statement as representing the views of the members of the Board, said statement being concurred in by all members of the Board:

"It is the sense of the meeting in a general discussion of the family coverage pre-payment plan that this Organization at this time desires to move very cautiously into that field. Before launching the plan, the leaders of the various county medical units should be approached with a view of determining whether or not the plan will be acceptable, and also the maximum level of yearly income that will be most agreeably accepted by the profession in these various counties. It is further the sense of the directors that in view of the antagonistic reaction of the medical profession throughout the State to plans that have already been launched that it is our desire not to definitely enter this field until this general attitude has been determined, and the directors have opportunity to give further consideration to the plan."

* * * * *

Plaintiff's Exhibit 1665

8013 Meeting of Board of Directors

A meeting of the Board of Directors was held at 9:30 A.M., February 8, 1940, at the offices of the Association, with all members present.

The purpose of the meeting was to permit a further discussion of the question of individual and family coverage contracts. Dr. Van Dusen and Dr. Pilkington reported on the attitude of the members of the Clatsop County Medical Society when this subject was under discussion at a meeting of the Society earlier this week. They said the doctors in Astoria were opposed to individual and family coverage contracts.

Dr. Moore called attention to the recently issued "1940 Objectives of the Oregon State Medical Society" and suggested that we ask the Clatsop County Medical Society to request a hearing from the State Medical Society Council upon the question of why the Council does not recognize the Industrial Hospital Association as being acceptable on the same basis as other hospital associations that have been recognized by the Council. This question relates to the Association's regular company or group contracts and not to individual and family coverage contracts.

At the suggestion of Mr. Kirk it was decided that Dr. Van Dusen and Dr. Pilkington would arrange for Dr. Moore and Mr. Kirk to meet with the Clatsop County Medical Society for an exchange of views on the questions involved, including both individual and group contracts, before the Clatsop Society is asked to present a request to the State Medical Society Council for a hearing. Dr. Van Dusen said he would report back as soon as a meeting time with the Clatsop County Society had been arranged.

The meeting then adjourned.

(Signed) Chester C Moore
President

(Signed) Will T Kirk
Secretary

Plaintiff's Exhibit 1666

8014 Annual Meeting of the Board of Directors

A meeting of the board of directors of the Industrial Hospital Association was held in the offices of the Association at Portland on March 16, 1940, with all members present. Dr. C. C. Moore presided.

* * * * *

Considerable time was spent by the board in discussion of the attitude taken by the Multnomah County Medical Society toward our Association and steps that might possibly be taken to promote more harmonious relations between the county and state medical societies and our Association. No definite action was taken.

* * * * *

Plaintiff's Exhibit 1667

8015 ANNUAL MEETING BOARD OF DIRECTORS, MARCH 23, 1942

Immediately following the annual stockholders meeting, the annual meeting of the Board of Directors of the Industrial Hospital Association, was held at the Association's offices in the Medical Arts Building, Portland, Oregon, with all members present except Dr. A. Van Dusen. Dr. Moore presided.

* * * * *

Upon motion duly made, seconded and carried, the following officers were elected for the ensuing year: President, Dr. Chester C. Moore; vice-president, Dr. A. Van Dusen; treasurer, Dr. R. J. Pilkington; secretary and general manager, Will T. Kirk.

* * * * *

Mr. Kirk reported that he had negotiated a contract with Dr. L. J. Lista of Mt. Shasta, California, whereby the Industrial Hospital Association will represent Dr. L. J. Lista and Staff in writing hospital contracts in California. Such contracts will be written in the name of Dr. L. J. Lista and Staff and the Industrial Hospital Association will have full responsibility for the handling of all business matters relating to such contracts and the services provided for in such contracts. He reported that one such contract of considerable size has already been made between Dr. Lista and

Staff and the Lumber Workers Union at Weed, California.

Upon motion duly made and carried, the Board approved the report and the action taken by the business manager.

Upon motion the meeting adjourned.

(Signed) WILL T. KIRK
Secretary

(Signed) CHESTER C. MOORE
President

Plaintiff's Exhibit 1669

8016 INDUSTRIAL HOSPITAL ASSOCIATION, PORTLAND

Distribution Sheet

Account of Dr. M. J. Goodman
539 G St.
Eureka, California

Paid by Check No. 4203 Dated 3-21-49 Amount $15.50

COMPANY	√	AMOUNT	COMPANY	√	AMOUNT
Eureka Plywood	M	15.50			
			No. 61		15.50

Audited (Signed) ML

Approved for Payment (Signed) (Illegible)

8017 INDUSTRIAL HOSPITAL ASSOCIATION
MEDICAL ARTS BUILDING, PORTLAND, OREGON

PHYSICIAN'S STATEMENT

Patient's name Don. Barnum

Address 2929 North Street Eureka, Calif.

By whom employed at time of injury or sickness?
Eureka Plywood Co.

Date of injury or sickness Feb. 4, 1949

If this is an injury case, was injury received while actually at work? No.

If accident occurred away from work, how did it happen?

.....

Have you reported this case to the State Industrial Accident Commission or other insurance carrier?

No.

Hospital ticket No. B8 549 issued by ..... is attached hereto. (Hospital ticket must be sent in with this bill.)

Complete diagnosis Observation, chest.

Itemize Services Rendered. Give Dates	Charges	Do Not Write In this Space
Feb. 5, 1949 O.V.	$3.00	
Feb. 5/49 EKG O.V.	$7.50	
Feb. 15/49 O.V.	~~$3.00~~	*2.50*
Feb. 16/49 O.V.	~~$3.00~~	*2.50*
	~~$16.50~~	*15.50*

I hereby certify that the foregoing services were necessary for the condition above stated and that the same were rendered by me and have not been paid for.

(Signed) M J Goodman MD
Attending Physician.

Address 539 G Street Eureka, Calif.

8018 March 23, 1949

Dr. M. J. Goodman
539 G Street
Eureka, California

Dear Doctor Goodman:

We are pleased to enclose our remittance in the amount of $15.50 in payment of services rendered Don Barnum.

Payment has been made on the basis of our regularly established schedule of fees, which compare favorably with or exceed those provided by other hospital associations.

Thank you for your cooperation.

Very truly yours,

Industrial Hospital Ass'n.

Howard M. Sturgess, Service Manager

HMS:LC

Plaintiff's Exhibit 1671

8019 INDUSTRIAL HOSPITAL ASSOCIATION
MEDICAL ARTS BUILDING
PORTLAND, OREGON

No. 769

Date	Check No.	Remittance No.	Pay To The Order of	Amount
8/19/49	769	736	Charles W. McCall	**$7.50*

THE UNITED STATES NATIONAL BANK
PORTLAND, OREGON

INDUSTRIAL HOSPITAL ASSOCIATION

By .....
President

By .....
Gen. Manager

8020 *This bill is being returned for the following information:*

Please itemize laboratory services.
Blood count test
urinal test

INDUSTRIAL HOSPITAL ASSOCIATION

8021

Date	Code	Charges	Credits	Balance
Jun 23 of	.51	3.00		
Jun 23 lb	.12	4.50		7.50*

Code:.....Office Call .....Of.
Home Visit .....Vs.
X-Ray .....XR
Dressing .....Dr.
Hospital Visit ..Hs.
Obstetrics .....Ob.
Laboratory .....Lb.
Surgery .....Sg.
Fracture .....Fr.
"Shot" .....Hy.
No Charge .....☐

DRS. POWER, BUREN, MILLER, LANCEFIELD, KING & NEEDHAM

5308

8022 July 29, 1949

Chas. W. McCall
Stayton, Oregon

Dear Sir:

We are sorry we cannot accept Industrial Hospital Association tickets. You will have to obtain reimbursement from the Hospital Association direct.

Yours truly,

(Signed) Fern Crozier (ca)
Drs. Power, Buren,
Miller, Lancefield,
King, & Needham

By Bookkeeper

FC/ca

8023 INDUSTRIAL HOSPITAL ASSOCIATION
(Incorporated)

No. 213 GROUP
Coverage

Date June 9 1949

Employee's name C. W. McCall

☞ Date he first paid dues 1948, Nov.

☞ Have dues been paid continuously since? Yes

Nature of work .....

Was employee injured while working? .....

Was employee injured away from work? .....

Injured or sick, which? give particulars sick
appendix attack

Is employee quitting his job? No

Hospital dues have been paid to the Industrial Hospital Association or have been deducted from said employee's wages to be paid to said Association for month or payroll period

☞ ending June 30, 1949

This ticket is not valid unless date to which dues are paid is given.

Said hospital dues, deducted from his wages by his employer to be paid to the Industrial Hospital Association, entitles said employee to receive medical, surgical and hospital care and attention from the Industrial Hospital Association as per contract of this date between said employer and said Association.

Employer's name Freres Frank Lumber Co.

By (Signed) I. A. PALMER

Notice to Employees: This certificate, when properly issued, is evidence of your right to benefits according to the terms of the contract in effect between your Employer and the Industrial Hospital Association. When in need of medical services for any condition covered by the terms of said contract, present this ticket to the offices of the Association in Portland, Oregon, or to any reputable physician in your locality. The Association is endeavoring to give its Members a wide choice of physicians, and invites the cooperation of all reputable physicians in the state. If the physician you have selected does not care to accept the ticket, your proper procedure is to obtain from him an itemized statement of his services to you, with diagnosis of condition treated, and send it to the Association's home office in Portland. The Association will make refund to you on the basis of its established schedule of fees.

To avoid disappointment or misunderstanding about coverage, you should immediately send your ticket to the Association, with the name of the physician who is treating you, and information as to the nature of the condition being treated.

Medicines: Medicines are furnished only while an employee is confined as a patient in the hospital.

INDUSTRIAL HOSPITAL ASSOCIATION
Medical Arts Building
Phone BEacon 3193—Day or Night
Portland 5, Oregon

B-49

To Dr. A. T. King

You are hereby authorized and requested to furnish to the Industrial Hospital Association such medical informa-

tion and reports as the Association may require in connection with my case.

(Signed) CHARLES W. McCALL
Patient's Signature

8024 *Notice to Employers, Employees, Doctors and Hospitals*:

This certificate, when issued as authorized, is evidence that the employee has paid hospital dues for the period stated and is entitled to hospital, medical, surgical and other benefits at the expense of the Industrial Hospital Association as provided and limited under the terms of the contract between the employer and the Association.

1. This certificate applies to the following conditions:

A. Non-occupational personal injuries.

B. Acute sickness, except those named in the exemption clause.

C. Chronic conditions, except those named in the exemption clause that develop after the employee came under the coverage of said contract, will be treated. This will include hospital care and surgical operations, when needed, for such conditions as goiter, tumors, stomach ulcers, gall stones, kidney stones, hemorrhoids, and other ailments of this nature. Diseased tonsils will be removed and operations for deviated septums and acute sinus conditions will be provided after employee has been under this coverage for six months. Cancer will be treated, including treatment by radium or surgical operation. Tuberculosis will be treated. Provided, however, that employee shall not be entitled to services for any of the conditions named in this paragraph which may acutely manifest themselves during the first six months of coverage under this contract. New employees will be given credit for time of employment elsewhere under the protection of the Industrial Hospital Association's contracts which cover such conditions when such employment immediately precedes employment under the protection of this contract.

2. EXEMPTION CLAUSE: This certificate does not apply to deformities, infirmities, diseases or accidental injuries which definitely existed prior to the time such afflicted person came under the protection of this contract, or to diseases subject to workmen's compensation laws or to insanity or mental disorders, psychotherapy, attempt at

suicide, conditions resulting from the use of intoxicating liquors, narcotics or drugs, pyorrhea, venereal diseases or conditions arising therefrom, pregnancy or childbirth, menopause, sickness active at the time of coming under this contract, injuries resulting from acts of violence and injuries for which a third person or persons are legally liable. Hospital, ambulance and nursing services do not apply to diseases subject to quarantine or to afflictions or diseases that become epidemic.

3. The Industrial Hospital Association is giving its Members a wide choice of hospitals and physicians. Members may choose any reputable physician who is willing to cooperate by furnishing the Association complete information about the condition or conditions being treated and a detailed statement of services rendered. All bills will be paid promptly at the Association's schedule of fees upon receipt of information establishing the claim.

4. In all cases where hospital care, prolonged treatment or surgical operations are needed for any of the conditions referred to in paragraph "C" above, the attending physician or the Member should promptly notify the Association so the question of coverage may be cleared without delay. History, diagnosis, operative procedure and findings should be reported to the Association at once.

5. In cases where the services of a specialist are indicated, the Association will give its fullest cooperation upon being informed of the circumstances.

6. The Association will not pay for daily visits or daily dressings unless the patient's condition clearly indicates the need of such frequent visits or dressings. Doctors should promptly report to the Association all cases requiring unusual dressings and care, and cases not promptly responding to treatment.

7. Cost of Physical-Therapy and all classes of special service will not be assumed by the Association unless authority for rendering such service is first obtained.

8. In cases of suspected fractures qualified technicians are authorized to take X-Rays, but for medical conditions or other conditions of an obscure nature special authority for X-Rays must be obtained. All films must be sent to the Association, and only films that are diagnostic will be accepted.

9. Dental benefits are limited to the extraction of teeth to relieve toothache or where tooth is acutely abscessed and is affecting employee's general health, and treatment for Vincent's Angina or trench mouth. *Dentists must obtain special authority for extracting more than four teeth. Extractions limited to four until after six months' coverage.*

10. Hospitals admitting patients should immediately notify the Association, giving name of employer, doctor and patient's condition. The Association will not be responsible for hospital services where patient is ambulatory.

11. The Association will not be responsible for any benefits if this certificate has been fraudulently issued, as the authority hereby granted to hospitals, doctors and others is at all times subject to the bearer's right to benefits under the contract.

INDUSTRIAL HOSPITAL ASSOCIATION
Medical Arts Building
RAY BRUNKOW, General Manager

Plaintiff's Exhibit 1673

8025 INDUSTRIAL HOSPITAL ASSOCIATION, PORTLAND

Distribution Sheet

Account of Lyle Blagg —Refund
c/o Interstate Brewery
Vancouver, Wash.

Paid by Check No. 31705 Dated 12-27-47 Amount $43.00

COMPANY	√	AMOUNT	COMPANY	√	AMOUNT
Interstate Brew.	M	.....43.00			
			No. 61		43.00

Audited Approved for Payment

8026 INDUSTRIAL HOSPITAL ASSOCIATION, PORTLAND

Distribution Sheet

Account of Lyle Blagg —Refund
c/o Interstate Brewery
Vancouver, Wash.

Paid by Check No. 31284 Dated 12-18-47 Amount $60.00

COMPANY	√	AMOUNT	COMPANY	√	AMOUNT
Interstate Brew.	M	60.00			
			No. 61		60.00

Audited Approved for Payment

8027 THE PORTLAND CLINIC
1216 SOUTHWEST YAMHILL STREET
PORTLAND 5, OREGON

December 11, 1947

Medicine	Surgery
Noble Wiley Jones, M.D.	Thomas M. Joyce, M.D. (1947)
Laurence Selling, M.D.	Frank B. Kistner, M.D. (1947)
Dorwin L. Palmer, M.D.	John R. Hand, M.D.
Merl L. Margason, M.D.	Milton B. Steiner, M.D.
David W. Baird, M.D.	Dean B. Seabrook, M.D.
Samuel L. Diack, M.D.	Gilbert J. McKelvey, M.D.
Arthur L. Rogers, M.D.	Arthur W. Sullivan, M.D.
Gordon Prewitt, M.D.	Ambrose B. Shields, M.D.
Vernon A. Douglas, M.D.	Frank B. Smith, M.D.
Philip Selling, M.D.	Joseph W. Nadal, M.D.
George A. Boylston, M.D.	David D. Deweese, M.D.
Harry T. Butler, M.D.	
Eva L. Gilbertson, M.D.	Business Manager
J. Richard Raines, M.D.	Carl W. Anderson
Howard E. Allen, M.D.	

ITEMIZED STATEMENT OF THE ACCOUNT FOR SERVICES RENDERED TO MR. LYLE BLAGG—110621

1947 October	22 Call Dr. Hand	3.00
	24 Complete blood count, sedimentation	3.50
	25 2 urinalysis	1.50
	28 X-ray: Oral Graham Cole Screen stomach follow meal	37.00
	29 X-ray: Barium enema	12.00
November	7 Call Dr. Hand	3.00
		60.00

DETACH BEFORE DEPOSITING

INDUSTRIAL HOSPITAL ASSOCIATION

#61 When Detached and Paid the Above Check Becomes Receipt in Full Payment of the Following Items

Invoices Dated	Amount
Refund—Services by The Portland Clinic	60.00

THE PORTLAND CLINIC
PHYSICIANS AND SURGEONS
1216 S. W. YAMHILL ST.
PORTLAND 5, OREGON

ATWATER 4152 Date Nov. 25, '47

Balance $.....

Charges and credits subsequent to 25th of current month not included:

Professional Services	11.00
X-Ray Department	49.00

Balance Due $..... Payment Due $..... $60.00

Mr. Lyle Blagg
4041 Washington St.
Vancouver, Wn.

Your check serves as a receipt. Make payable to the Portland Clinic.

Kindly return statement with remittance.
Hospital fees not included.

Notice to Employers, Employees, Doctors and Hospitals:

This certificate, when issued as authorized, is evidence that the employee has paid hospital dues for the period stated and is entitled to hospital, medical, surgical and other benefits at the expense of the Industrial Hospital Association as provided and limited under the terms of the contract between the employer and the Association.

1. This certificate applies to the following conditions:

A. Non-occupational personal injuries.

B. Acute sickness, except those named in the exemption clause.

C. Chronic conditions, except those named in the exemption clause that develop after the employee came under the coverage of said contract, will be treated. This will include hospital care and surgical operations, when needed, for such conditions as goiter, tumors, stomach ulcers, gall stones, kidney stones, hemorrhoids, and other ailments of this nature. Diseased tonsils will be removed and operations for deviated septums and acute sinus conditions will be provided after employee has been under this coverage for six months. Cancer will be treated, including treatment by radium or surgical operation. Tuberculosis will be treated. Provided, however, that employee shall not be entitled to services for any of the conditions named in this paragraph which may acutely manifest themselves during the first six months of coverage under this contract. New employees will be given credit for time of employment elsewhere under the protection of the Industrial Hospital Association's contracts which cover such conditions when such employment immediately precedes employment under the protection of this contract.

2. Exemption Clause: This certificate does not apply to deformities, infirmities, diseases or accidental injuries which definitely existed prior to the time such afflicted person came under the protection of this contract, or to diseases subject to workmen's compensation laws or to insanity or mental disorders, attempt at suicide, conditions resulting from the use of intoxicating liquors, narcotics or drugs, pyorrhea, venereal diseases or conditions arising therefrom, pregnancy or childbirth, menopause, sickness active at the time of coming under this contract, injuries resulting from acts of violence and injuries for which a third person or persons are legally liable. Hospital, am-

bulance and nursing services do not apply to diseases subject to quarantine or to afflictions or diseases that become epidemic.

3. The Industrial Hospital Association is giving its Members a wide choice of hospitals and physicians. Members may choose any reputable physician who is willing to cooperate by furnishing the Association complete information about the condition or conditions being treated and a detailed statement of services rendered. All bills will be paid promptly at the Association's schedule of fees upon receipt of information establishing the claim.

4. In all cases where hospital care, prolonged treatment or surgical operations are needed for any of the conditions referred to in paragraph "C" above, the attending physician or the Member should promptly notify the Association so the question of coverage may be cleared without delay. History, diagnosis, operative procedure and findings should be reported to the Association at once.

5. In cases where the services of a specialist are indicated, the Association will give its fullest cooperation upon being informed of the circumstances.

6. The Association will not pay for daily visits or daily dressings unless the patient's condition clearly indicates the need of such frequent visits or dressings. Doctors should promptly report to the Association all cases requiring unusual dressings and care, and cases not promptly responding to treatment.

7. Cost of Physical-therapy and all classes of special service will not be assumed by the Association unless authority for dendering such service is first obtained.

8. In cases of suspected fractures qualified technicians are authorized to take X-Rays, but for medical conditions or other conditions of an obscure nature special authority for X-Rays must be obtained. All films must be sent to the Association, and only films that are diagnostic will be accepted.

9. Dental benefits are limited to the extraction of teeth to relieve toothache or where tooth is abscessed and is affecting employee's general health, and treatment for Vincent's Angina or trench mouth. Dentists must obtain special authority for extracting more than four teeth. Extractions limited to four until after six months' coverage.

10. Hospitals admitting patients should immediately notify the Association, giving name of employer, doctor and patient's condition. The Association will not be responsible for hospital services where patient is ambulatory.

11. The Association will not be responsible for any benefits if this certificate has been fraudulently issued, as the authority hereby granted to hospitals, doctors and others is at all times subject to the bearer's right to benefits under the contract.

INDUSTRIAL HOSPITAL ASSOCIATION
Medical Arts Building
WILL T. KIRK, *General Manager*

8028 LUCKY LAGER — BANKERS ALE — LUCKY LAGER

(Emblem) (Emblem)

INTERSTATE BREWERY COMPANY
Vancouver, Washington
December 5, 1947

Industrial Hospital Association
Medical Arts Building
Portland, Oregon

Gentlemen:

Enclosed you will find medical slip #961, dated October 27th, 1947, issued to our employee, Lyle Blagg. Also enclosed is a statement of November 25th for $60.00 from the Portland Clinic.

Very truly yours,

(Signed) J I YATES

JIY:a
Encls.

8029 December 29, 1947

Mr. Lyle Blagg
Interstate Brewery
Vancouver, Washington

Dear Mr. Blagg:

We are pleased to enclose our check in the amount of $43.00 covering services furnished you by the Portland

Clinic. Payment in this instance has been made on the basis of our regularly established schedule of fees.

When a member comes to Portland for medical care without contacting the Industrial Hospital Association we reimburse him at our established schedule of fees. However, if he contacts this office and requests that we assist him in getting such care, we can guarantee full payment of the doctor's charges and there will be no excess charges billed to the patient.

If any questions should arise regarding our coverage, we would like to hear from you, as it is our desire that our members be completely informed as to the coverage available under our contract.

Very truly yours,

INDUSTRIAL HOSPITAL ASS'N.

W. R. Radford, Service Manager

WRR:ig

(This exhibit also contains a filled-in Industrial Hospital Association ticket to the ticket holder member of the Association.)

Plaintiff's Exhibit 1675

8030

BY-LAWS
RULES AND
REGULATIONS

OF THE

Medical Staff

OF

St. Vincent's Hospital

PORTLAND, OREGON

8032

* * * * *

ARTICLE III

MEMBERSHIP

Qualifications

Section 1. The applicant for membership on the medical staff shall be a graduate of an approved medical school

legally licensed to practice in the State of Oregon, qualified for membership in the Multnomah County Medical Society (or the local medical society in his own area) and practicing within a reasonable distance of the hospital and in the community for a period of not less than one year.

• • • • •

8034 • • • • •

ARTICLE IV

ETHICS AND ETHICAL RELATIONSHIPS

Section 1. The Code of Ethics as adopted by the American Medical Association and the American College of Surgeons shall govern the professional conduct of the members of the medical staff.

• • • • •

8045 • • • • •

12. Patients may be treated only by physicians who have submitted proper credentials and have been duly appointed to membership on the medical staff.

• • • • •

Plaintiff's Exhibit 1676

8047 OREGON PHYSICIANS' SERVICE
1214 S. W. Sixth Ave.

April 30, 1949

Re: COMMERCIAL, MEDICAL AND HOSPITAL SERVICE PLAN (One-Visit Deductible)

Dear Doctor,

Following a rather extensive study of the actuarial experience of all OPS accounts throughout the State, the Board of Directors authorized the writing of a new type of medical and hospital service plan which has been designated as the "COMMERCIAL MEDICAL AND HOSPITAL SERVICE PLAN."

The new plan is being installed *only* in Multnomah County for *only* certain groups that have continuously shown an unsatisfactory actuarial experience under the regular Full Coverage Plan.

As of May 1, 1949 the following Employe Group Contracts have been renegotiated and from that date will be

under the new COMMERCIAL MEDICAL AND HOSPITAL SERVICE PLAN:

Bedell Company
Charles F. Berg
Bonneville Project Ass'n.
District Engineers
Employes Beneficial Ass'n of
Portland General Electric
Lipman Wolfe & Company
Meier & Frank Company
Portland General Electric Co.
Pacific Tel. & Tel. Co.
Roberts Brothers
Sears Roebuck & Company
U. S. Forest Service
U. S. Postal Employes
Veterans Hospital Employees
Olds Wortman & King

Some 50 other accounts will be renegotiated on the basis of the new Commercial Plan as of June 1, 1949, and at that time an additional list will be forwarded to the cooperating physicians in Multnomah County.

Each subscriber coming under the new Commercial Plan as of May 1, 1949 has been given a copy of the attached Benefit Chart so he will be informed as to the services available to him. New identification cards for the Commercial Plan will be sent to subscribers during the next thirty to sixty days. However, for the present the physician's only means of identifying Commercial Plan subscribers will be a particular type of treatment requisition which has been distributed to all of the above accounts, and which will be used by subscribers when requiring services on and after May 1, 1949. These new treatment requisitions are plainly marked "COMMERCIAL PLAN" for easy identification by your receptionist.

The Family Coverage Plan is not being changed in any manner—the new Commercial Contract applies only to the Employe Group subscribers, and not to family members.

8048 Under the new COMMERCIAL PLAN the following changes in benefits have been made:

1. The subscriber is required to pay for the first visit on or by a physician in any single case. X-rays,

Laboratory or other special tests required on the first call will continue to be paid by OPS and the charge to the subscriber should be for the physician's professional services only.

2. Eye examinations for glasses will not be furnished.

3. Annual physicial examinations will not be furnished.

4. Dental Service will not be furnished.

5. Hospitalization for any single case will be furnished—60 days at full cost and an additional 60 days at one-half cost.

The following additional benefits have been included in the new COMMERCIAL PLAN:

1. Pre-existing conditions will be covered for physician's services and 75% of hospital costs after 12 months' membership.

2. Physicians services while hospitalized and hospitalization will be provided beyond the usual "one year's treatment" providing the subscriber has not used up 60-days hospitalization for the particular condition involved. Extended hospitalization will be paid at 75% of cost.

The majority of the above changes are in keeping with recommendations made during the past year by your OPS Supervisory Committee here in Multnomah County. It is the opinion of many physicians who have studied the problem of prepaid medical and hospital care in an urban area such as Multnomah County that the above changes will make for actuarial soundness through the elimination of abuses which occur under the Full Coverage type contract, and will in fact provide the subscriber with a more complete and well-rounded coverage.

The help of every cooperating physician in Multnomah County will be required if the transition of a number of large employe group accounts to the new plan is to be made smoothly and effectively.

Please ask your receptionist and bookkeeper to read this letter carefully and to familiarize herself with the attached benefit chart for the new "COMMERCIAL PLAN." Every effort should be made to properly identify Commercial Plan

subscribers in the physician's office after May 1, 1949, and to help in explaining the changes in coverage.

The OPS business office will be happy to discuss this new program with you or any of your office employes at any time.

Sincerely yours,

OREGON PHYSICIANS' SERVICE

Plaintiff's Exhibit 1677

8049

WALTER E. KELSEY, M. D.
WILLIAM A. SHEA, M. D.
ALFRED C. HUTCHINSON, M. D.
CORBETT BUILDING
PORTLAND 4, OREGON

December 22, 1945

Dr. T. M. Joyce
Dr. John Fitzgibbon

Dear Tom and Fitz:

Suckow worked for the National Hospital Association for several years. My understanding is that he was forced to do it in order to meet his financial obligations which were heavier than those of the average physician with his experience at that time.

Several months ago in making application for reinstatement of membership in the County Society, he repudiated this type of practice. He said he would never again engage in it and expressed his intention to do clean, ethical medical work. In view of his sincere act of contrition and firm purpose of amendment, I would be in favor of appointing him on the courtesy staff and give his morale the boost which it deserves. It should be understood of course that he is not to attempt to do any major surgery.

Very sincerely,

(Signed) BILL
William A. Shea, M. D.

WAS/e

1/11/46. I feel that Suckow should be given a break and will vote you membership on the courtesy staff with limitations.

(Signed) FITZ

Plaintiff's Exhibit 1678

8050

THE DALLES CLINIC
THE DALLES, OREGON

J. A. REUTER, M. D., F. A. C. S.
FRED F. THOMPSON, M. D.
THOMPSON COBERTH, M. D., F. A. C. S.
THOMAS E. GRIFFITH, M. D.
PAUL R. VOGT, M. D.
E. NOEL SMITH, M. D.
C. L. POLEY, M. D.

June 26, 1943

Prudential Hospital Association
Morgan Building
Portland, Oregon

Gentlemen:

Re: John Meads

This man came in to see me yesterday. He is an employee of the J. Neils Lumber Company of Klickitat, Washington, and came in with one of your slips for treatment. Following is a brief history of his problem.

* * * * *

This man would be improved by ligation and injection but I explained to him I doubted very much if his problem came under your contract. Awaiting a ruling on his eligibility, I remain

Respectfully yours,

(Signed) T Coberth
Thompson Coberth, M. D.

vp

8051

July 1, 1943.

Dr. Thompson Coberth
The Dalles, Oregon.

Dear Dr. Coberth:

We will authorize the ligation and injection of varicose veins on Mr. John Meads, of the J. Neils Lumber Company.

This man is probably not entitled to this service at this time; however, he would be entitled to service for an acute condition which would develop from his chronic trouble, hence we feel it would be far better to take care of the real cause of his trouble.

Thanking you very kindly for your letter Dr. Coberth, I am

Sincerely yours,

PRUDENTIAL HOSPITAL ASSOCIATION

A. E. KING, M. D.
President.

AEK:pc

Plaintiff's Exhibit 1713

8052 CORVALLIS, OREGON Oct., 1941

James Matney
Philomath

IN ACCOUNT WITH

W. H. FORTNER, M. D.

EYE - EAR - NOSE - THROAT

SUITE 209 CREES BUILDING TELEPHONE 290

FOR PROFESSIONAL SERVICES $5.00

THE PRUDENTIAL HOSPITAL ASSOCIATION

Morgan Building, Portland, Oregon
Day and Night Phone: BEacon 7227

THIS IS TO CERTIFY that Mr. Jim Matney is entitled to all benefits under the Prudential Hospital Association's contract from 10-1 to 10-31 1941

SIMPSON LUMBER COMPANY

By (Signed) C. M. RUITER

• This slip to serve as voucher and attached to monthly statements by the physicians, surgeons and dentists. A new slip will be issued by employer as required.

8053 Philomath Ore.
Oct. 25-41

Dear Sir.

I doctored with this Doctor, he wouldnt except a ticket.

Will you take care of this.

Yours Truly

(Signed) JIM MATNEY

8054 Oct. 28, 1941.

Mr. Jim Matney
Rt 1
Philomath, Oregon.

Dear Mr. Matney:

In the enclosed stamped envelope will you kindly advise us the nature of the trouble with your eye, whether an accident, and if so, if it occurred while employed. Dr. Fortner does not mention what his diagnosis was.

Sincerely yours,

PRUDENTIAL HOSPITAL ASSOCIATION

A. E. KING, M. D.
President.

encl
AEK:pc

8055 Nov. 13, 1941

Mr. Jim Matney
Rt 1
Philomath, Ore.

Dear Mr. Matney:

In the enclosed stamped envelope will you kindly advise us the nature of the trouble with your eye, whether an accident, and if so, if it occurred while employed. Dr. Fortner does not mention what his diagnosis was.

Sincerely yours

P. Cheney, Cashier.

Plaintiff's Exhibit 1722

8056 March 31, 1941

Ralph Smith
Rt 2 Box 225
Monmouth, Ore.

Dear Mr. Smith:

Enclosed kindly find check, five dollars, to reimburse you, amount paid Dr. Tartar.

I am very sorry to say that a majority of the doctors in Corvallis will not accept the hospital association tickets of any hospital association. As a matter of fact, the only doctors in Corvallis who will bill us direct are Doctors Wendell and Waldo Ball, Dr. Anderson, and Dr. Garnjobst will also do so, I believe.

Sincerely yours,

PRUDENTIAL HOSPITAL ASSOCIATION

A. E. KING, M. D.
President.

encl
AEK:pc

8057 Rte 2, Box 225
Monmouth, Ore.
March 26, 1941

The Prudential Hospital Ass.
Morgan Building
Portland, Oregon

As Doctor N. L. Tartar does not accept any Hospital Ass. tickets I have paid this bill myself & would like to be reimbursed for it.

Thank you,

(Signed) RALPH F. SMITH

Plaintiff's Exhibit 1740

8058

These exhibits consist of Oregon newspaper articles and editorials appearing in 1936 and early 1937 concerning the controversy between Multnomah County Medical Society and hospital associations. One lead story in the Portland Oregonian of January 10, 1937 consists of a full page spread plus several additional columns. This article does not take sides but presents arguments on both sides. Copy from "Medical Society's Position Given" in sixth column to end. It does say that the county medical society has suspended two doctors connected with hospital associations, forced resignations from the society of five others, and obtained promises of "reformation" from five others. There are several editorials in the Astorian-Budget, Astoria, which support the hospital associations and are critical of medical society and of Dr. Hagmeier's opposition. There is an item of a column and a half in the Camas Post-Record under the heading "Views of the News" which is favorable to National and other hospital associations and critical of medical society opposition. There is an editorial in the Northeast Portland News 1/1/37, under the heading "Sentiment Favors Our Hospital Associations". There is an editorial in the Salem Capital Journal taking the position that the Multnomah Medical Society's opposition to hospital associations was a mistaken one, and referred to Dr. Thoraldsen as recently resigning from the Society because of its opposition to doctors serving industrial hospital associations and as being one of the Society's most distinguished practitioners. There is a strong editorial in the Vanc. Union praising the hospital associations and condemning the action of the Multnomah County Medical Society in expelling doctors who served these associations.

Plaintiff's Exhibit 1741

There is an article in the Portland Oregonian on the suspension of certain doctors from Multnomah County Medical Society as a sequel to a visit from Dr. Fishbein. There is a letter in the Oregonian from a member of the State Legislature critical of medical society animosity to hospital associations. There is an article of some length in the News Telegram on the fight between Multnomah Medical Society and hospital associations. There is a long